



ALPHA BANK

# ANNUAL REPORT

For the period from 1 January to 31 December 2018

(In accordance with Law 3556/2007)



Athens, 28 March 2019



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# Statement by the Members of Board of Directors

## (in accordance with article 4 paragraph 2 of Law 3556/2007)

To the best of our knowledge, the annual financial statements that have been prepared in accordance with the applicable accounting standards, give a true view of the assets, liabilities, equity and financial performance of Alpha Bank A.E. and of the group of companies included in the consolidated financial statements taken as a whole, as provided in article 4 paragraphs 3 and 4 of Law 3556/2007, and the Board of Directors' annual report presents fairly the evolution, performance and financial position of Bank, and group of companies included in the consolidated financial statements taken as a whole, including the analysis of the main risks and uncertainties that they face.

Athens, 28 March 2019

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# Board of Directors' Annual Management Report as at 31.12.2018

## GREEK ECONOMY

2018 is considered a milestone year for the Greek economy. The conclusion of the third Economic Adjustment Program - which was accompanied by specific measures in order to cover the country's financing needs over the medium-term - contributed to the improvement of economic sentiment, as well as the prospects of the Greek economy. In particular, Euro 61.9 billion out of the Euro 86.0 billion totally available amount through the third economic adjustment program, were disbursed, of which Euro 11.0 billion were used for the built-up of the cash buffer, with the aim to cover the country's financing needs at least over the next two years. According to the Enhanced Surveillance Report, published by the European Commission in November 2018, the cash buffer available amounted over Euro 26.0 billion.

After the conclusion of the third economic adjustment program an "enhanced surveillance framework" was agreed with the European partners, in order to ensure that the implementation of the structural reforms will continue at unabated pace and to closely monitor the economic and fiscal developments in the country. In parallel, the following were agreed:

- the deferral of the European Financial Stability Facility (EFSF) interest rate and amortization by 10 years and the extension of the maximum weighted average maturity by 10 years,
- the commitment to maintain a primary surplus of 3.5% of GDP until 2022 and the completion of the remaining structural reforms.
- the abolition of the step-up interest rate margin related to the debt buy-back tranche of the second economic adjustment program.
- the return of the profits and the income equivalent amounts stemming from central banks' holdings of Greek bonds, under the Securities Markets Program and the Agreement on Net Financial Assets (SMP and ANFA revenue).

The implementation of the last two measures, will be

subject to the continuity and the completion of the commitments undertaken by Greece.

In 2018, markets' confidence was gradually strengthened, whereas the position of the country as an investors' destination was improved, due to the following: (i) the strengthening of the economic activity, (ii) the achievement of a primary general government surplus, above the fiscal target for the fourth consecutive year, (iii) the upgrading of the country's credit rating by the international rating agencies, (iv) the successful completion of the EU-wide stress testing exercise for the four systemic Greek banks and (v) the further easing of capital controls. In addition, in February 2018, a new seven-year bond was successfully issued, allowing the Greek State to raise Euro 3 billion.

GDP at constant prices increased by 1,9% on an annual basis in 2018 from 1.5% in 2017. The main driving forces of economic expansion were the significant positive contribution of export performance of goods and services and private consumption. Moreover, signs of recovery are evident in the real estate market, as house prices increased for the first time since 2009, by 1.3% on an annual basis in the first nine months of 2018. The Economic Sentiment Indicator (ESI) improved to 102.1 units in 2018, from 96.6 units in 2017, at a higher level than the pre-crisis of 2008 (=100). All sub-indices of business expectations and mainly the consumer confidence indicator improved in 2018 compared to 2017.

Inflation based on the Consumer Price Index (CPI) remained in positive territory in 2018 for the second consecutive year after four years of deflation. CPI increased by 0.6% in 2018, from 1.1% in 2017. Weak inflationary pressures came up from the increase of international oil prices in 2018, though base effects contributed negatively because of the indirect taxation increases on goods and services in 2017.

The unemployment rate followed a downward trend in 2018 and stood at 18.5% in November 2018 (according to seasonally adjusted data), lower by 2.6 percentage points compared to November 2017 and by 9.4 points compared



to July 2013 when reaching historically high levels. According to the European Commission Autumn Economic Forecasts, the unemployment rate is expected to reach 19.6% in 2018, from 21.5% in 2017, the highest level among European Union countries. Employment continued to increase (by 3.7% on an annual basis in the first eleven months of 2018), mainly due to the increase of part-time jobs. The main sectors that contributed to the creation of new jobs were the export-oriented sectors of the Greek economy such as tourism, trade and manufacturing.

The current account balance recorded a deficit of Euro 5.3 billion in 2018, widened by Euro 2.1 billion compared to 2017. This development is attributed to the deterioration of the trade deficit and primary income deficit, which was partially offset by the improvement in the services surplus and the secondary income deficit.

The execution of the state budget in 2018 showed that the primary surplus of the state budget stood at Euro 3.2 billion, lower by Euro 367 million compared to the target (Euro 3.6 billion), and higher by Euro 1.3 billion compared to the respective surplus in 2017 (Euro 1.9 billion). The main elements of the Budget execution in 2018 are the following: (i) the underperformance of the state revenues by Euro 1.5 billion against the target, which was due to the extension of the concession agreement of the Athens International Airport, the amount of which (Euro 1.1 billion) was scheduled to be collected in January 2019 instead of December 2018 that was originally budgeted, (ii) the lower than budgeted tax refunds by Euro 0.9 billion, (iii) the over-achievement of indirect tax revenues in 2018 compared to 2017 as well as against the target, (iv) the deviation of the current primary expenditure by Euro 0.6 billion against the target, (v) the continuous under-execution of the Public Investment Budget expenditure whose total amount reached Euro 6.2 billion in 2018 (against Euro 6.7 billion that it was budgeted).

In the first nine months of 2018, Greek banks registered profits before taxes, that were however significantly lower than the profits in the same period of 2017, whereas the after-tax losses exceeded the respective losses registered in January - September 2017. The capital adequacy of the banking system remained satisfactory, as the Common Equity Tier 1 (CET1) ratio on a consolidated level stood at 15.6%<sup>1</sup> in September 2018, while the Capital Adequacy ratio at 16.2%<sup>1</sup>. In addition, according to the EU-wide

stress testing exercise conducted at the beginning of 2018, there was no capital shortfall identified for the four systemic Greek banks.

Liquidity conditions continued to improve in the banking system, as private sector's deposits amounted to Euro 134.5 billion in December 2018, from Euro 126.3 billion in December 2017, of which household deposits were Euro 110.0 billion and business deposits were equal to Euro 24.5 billion. Total deposits in the banking system (private sector and General Government deposits) amounted to Euro 152.4 billion in December 2018, recording an annual increase of 10.4%. The drivers leading to the increase of deposits in the banking system were the acceleration of economic expansion in 2018 and the strengthening of confidence in the Greek economy, whereas the wider use of means of electronic payments also contributed positively.

The outstanding amount of credit to the private sector amounted to Euro 170.3 billion at the end of December 2018, compared to Euro 184.0 billion at the end of December 2017. More specifically, credit to non-financial corporations shows signs of gradual improvement, as new loans disbursements recovered in 2018 compared to 2017 and 2016. This increase, however, was counterbalanced by increased loan repayments, as a result of the banks' efforts to reduce their Non-Performing Exposures (NPEs) stock. With regard to household credit, the rate of change of consumer and mortgage credit remain negative, showing, however, signs of stabilization.

The progress made in 2018, regarding the non-performing exposures (NPEs) management was significant, with the NPEs amounting to Euro 84.7 billion at the end of September 2018, reduced by Euro 9.7 billion compared to December 2017 and by Euro 22.5 billion in March 2016, when the highest NPEs level was recorded. The ratio of NPEs to total exposures remains high not only overall (46.7% in September 2018), but also per individual category (44,7% for mortgages, 53% for consumer loans and 46,9% for the business loans' portfolio). The decrease of NPEs stock in 2018, is mostly due to write-offs and loans sales (Euro 4.4 billion and Euro 5.2 billion respectively). Although the NPE ratio is improving, it is still not adequate to lead to a significant reduction of the NPEs stock.

The dependency of Greek Banks from the Emergency Liquidity Assistance (ELA) mechanism was reduced further in the period between January – November 2018. More specifically, in November 2018, the total funding received by the Greek Banks from the Eurosystem (ELA plus the funding

<sup>1</sup> Bank of Greece, Monetary Policy Interim Report, December 2018.



received directly by the European Central Bank) was equal to Euro 12.2 billion, from Euro 33.7 billion in December 2017. Secured borrowing from the interbank market contributed positively to this development.

## INTERNATIONAL ECONOMY

The steady economic expansion which was under way since the second half of 2016 continued in 2018. However, the economic growth rates among countries were uneven, while high growth rates were observed in some major economies.

Financial conditions tightened, with rising long-term interest rates, particularly in the United States, triggered repricing across many asset markets and caused significant turbulence in a few emerging-market economies. Higher and more volatile oil prices added to the challenges for oil-importing economies. Production in the United States and Russia hit record levels, the continued uncertainty about potential supply disruptions in some OPEC economies, particularly Venezuela and Iran (who collectively account for around 4% of global supply) and expectations that demand growth might slow, have resulted in considerable price volatility.

In 2018, the economic and political uncertainty elevated in association with moves by the United States and China to raise tariffs on bilateral trade. These tensions resulted from United States tariff actions on several imported products from China, caused retaliatory and other protective measures by trading partners. Furthermore, economic activity was negatively affected by tighter financial conditions, geopolitical tensions and higher import bills.

According to the latest International Monetary Fund (IMF World Economic Outlook Update, January 2019) forecasts, global GDP growth was lowered at 3.7% in 2018 from 3.8% in 2017 and is projected to weaken to 3.5% in 2019 and slightly rise to 3.6% in 2020. In particular, growth in advanced economies is estimated to have slightly slowed from 2.4% in 2017 to 2.3% in 2018 and is projected to further slow to 2.0% in 2019 and 1.7% in 2020. Furthermore, global trade volume growth (goods plus services) is estimated to have decelerated from 5.3% in 2017 to 4.0% in 2018 and is projected to remain at 4.0% in 2019 and 2020 (IMF World Economic Outlook Update, January 2019).

Risks to global growth outlook skew to the downside, stemming from an escalation of trade tensions and tightened financial conditions. Further moves by the United States and China to raise barriers on bilateral trade would hit output in these economies, with adverse effects on

global growth and trade. Although, the tariffs increase between US-China have been put on hold for 90 days since December 1st, 2018 the possibility of tensions reappearing cannot be excluded. Adverse growth implications also could be triggered from a "non-deal" withdrawal of the United Kingdom from the European Union and a higher-than-projected slowdown in China, is another potential trigger. On the upside, a quick resolution of trade tensions, or stronger structural policy ambition around the world, could improve confidence and limit the drag on investment.

Across emerging and developing economies, GDP growth is estimated to have slightly fallen from 4.7% in 2017 to 4.6% in 2018 and for 2019 is projected to slow further to 4.5%, due to contractions in Argentina and Turkey and to the impact of trade actions on China and other Asian economies. However, in 2020, GDP growth rate is expected to improve to 4.9% (IMF World Economic Outlook Update, January 2019). Inflationary pressures are easing as a result of the fall in oil prices, although this easing for some economies has been partially offset from the depreciation of the currencies.

GDP growth in the United States, is estimated to have risen from 2.2% in 2017 to 2.9% in 2018. Tax reforms, higher government spending, elevated confidence and the strong labour market continue to support domestic demand. In 2019, GDP growth is projected to fall to 2.5% and further decline to 1.8% in 2020 as the fiscal stimulus will unwind. The US Federal Reserve signaled a more gradual pace of rate hikes in 2019 and 2020, though it raised the target range for the federal funds rate to 2.25%-2.50% in December 2018.

GDP growth in China is estimated to have moderated from 6.9% in 2017 to 6.6% in 2018 and is projected to ease at 6.2% in 2019 and in 2020, due to the financial regulatory tightening, demographic reason (the working-age population is declining), the lower growth of external demand and the trade tensions with the United States.

GDP growth in Japan is estimated to have decelerated to 0.9% in 2018, from 1.9% in 2017, as natural disasters weighed on economic activity. In 2019, economic growth is projected to rise at 1.1% as fiscal support will be provided to the economy, including measures ahead of the planned consumption tax rate increase from 8% to 10% in October 2019. For 2020, GDP growth rate is expected to moderate to 0.5% following the implementation of the fiscal measures, that will weigh on domestic demand.



## Eurozone

GDP growth in Eurozone is estimated to have decelerated in 2018 to 1.9% from 2.4% in 2017, due to slower global trade growth, social tensions, EU budgetary-policy uncertainty and lower car production in some member states. A further deceleration of the economic growth is projected for 2019 to 1.3%, while a rise is forecast for 2020 to 1.6% (European Commission, Winter 2019 Interim Forecast).

The European Central Bank (ECB) in March 2019 confirmed that monetary policy would remain amply accommodative, with no increase in policy rates until at least the end of the current year, full reinvestment of maturing securities purchased under the asset purchase programme (APP) continuing well past the first rate increase, as well as a new series of quarterly targeted longer-term refinancing operations (TLTRO-III), starting in September 2019 and ending in March 2021, each with a maturity of two years. Lastly, ECB, in line with earlier communication, ended in December 2018 its net asset purchases programme (APP).

## Cyprus

GDP growth in Cyprus, remained strong in 2018 buoyed by private consumption investment and exports. Unemployment remained on a declining path while large fiscal primary surpluses backed public debt to follow a downward move. According to European Commission (Winter 2019 Interim Forecast), GDP is expected to increase by 3.8% in 2018, from 4.2% in 2017, and become more domestic-demand driven. Going forward, growth is projected to decelerate further to 3.3% and 2.7% in 2019 and 2020, respectively.

Harmonised annual HICP inflation marginally increased at 0.8% in 2018 from 0.7% in 2017. Going forward, the European Commission expects harmonised inflation to fall marginally to 0.7% in 2019 and increase to 1.2% in 2020, because of rising disposable income and lower oil prices.

Albeit, public debt increased to 105.0% of GDP in 2018 from 96.1% in 2017 due to banking supports measures related to the liquidation of Cyprus Cooperative Bank (CCB), it is projected to decline to 98.4% in 2019 and 91.0% in 2020.

Cyprus has maintained its export competitiveness, although the current account deficit widened in 2018, as strong domestic demand pushed up imports. Specifically, the current account deficit, according to the European Commission is anticipated to fall marginally from -8.4% of GDP in 2017 to -8.2% in 2018 and increase at -9.3% in 2019 and -9.5% in 2020.

## Romania

GDP growth in Romania is forecast to slow to 4.0% in 2018 from 7.0% in 2017 due to the weakening of private consumption, because of high inflation mainly due to energy prices and the fading out of the public policies impact on disposable income. According to the European Commission (Winter 2019 Interim Forecast) GDP is expected to grow by 3.8% in 2019 and by 3.6% in 2020.

The National Bank of Romania has tightened monetary policy and liquidity management, in order to contain inflation pressures.

Harmonised inflation increased to 4.1% in 2018 from 1.1% in 2017. According to the European Commission, harmonized inflation is projected to fall to 3.3% in 2019 and 3.1% in 2020 due to the weakening domestic demand.

The public debt to GDP ratio, according to the European Commission is anticipated to remain stable at 35.1% in 2018 and rise to 35.9% in 2019 and 38.2% in 2020.

Lastly, the current account deficit is projected to gradually increase from -3.1% of GDP in 2017 to -3.7% in 2018, -4.2% in 2019 and -4.5% in 2020.

## Albania

The increase of the economic activity has strengthened in recent years, as Albania benefitted from the implementation of reforms and from the economic expansion of its main trading partners. In 2018 economic growth backed by the good agricultural and hydroelectricity production. Private consumption and external demand for commodities had also a positive contribution. According to the European Commission (Autumn 2018 Economic Forecast), GDP growth in Albania, is expected to accelerate from 3.8% in 2017 to 4.1% in 2018 supported by private consumption and to decelerate to 3.9% in 2019 and 2020, as a result of lower electricity production and the completion of two large energy projects.

Albeit inflation remained stable at 2.0% in 2018, it is anticipated to increase gradually at 2.6% in 2019 and 2.8% in 2020.

Regarding public debt, the European Commission predicts that it will decrease marginally in 2018 to 69.9% of GDP, from 70.1% in 2017 and further decline to 67.6% in 2019 and 65.2% in 2020. Furthermore, the current account to GDP ratio, is projected to decline from -14.8% in 2017 to -6.3% in 2018 and slightly rise to -6.4% in 2019 and 2020.

## United Kingdom

GDP growth in United Kingdom (UK), registered a modest



increase 1.4% in 2018 - the weakest it has been since 2009- because of the heightened uncertainty over the UK's future trading relationship with the EU, which has negatively impacted consumer and business confidence, as well as spending. According to the European Commission (Winter 2019 Interim Forecast), GDP growth is expected to increase around 1.3% in 2019 and 2020. The most important uncertainty concerning this forecast is the possibility of UK leaving the EU without an agreement, which would have a large negative impact on growth, especially if it happens in a disorderly manner and without a transition period.

## ANALYSIS OF GROUP FINANCIAL INFORMATION <sup>2</sup>

On 31.12.2018, the Alpha Bank Group's total assets amounted to € 61.0 billion increased by € 0.2 billion or 0.3%, compared to 31.12.2017.

At the end of December 2018, the total Group Loans and advances to customers, before allowance for impairment losses, amounted to € 51.2 billion, decreased by € 3.2 billion compared to 31.12.2017 (€ 54.4 billion). This decrease resulted from the write offs of loans and advances to customers, performed during the year, as well as from the transfer of specific non-performing corporate loans and unsecured retail loans, to assets held for sale.

Accumulated allowance for impairment losses remained stable, amounting to € 11.0 billion, since the impact from the implementation of International Financial Reporting Standard 9 (IFRS 9) of € 1.4 billion and the credit losses of € 1.9 billion recognized during the year, were offset by write-offs amounting to € 1.9 billion. These write-offs reflect the absence of probability of substantial further receipts and the transfer of accumulated impairment losses on the portfolios classified as assets held for sale.

As a result, the balance of loans and advances to customers after impairment stands at € 40.2 billion against € 43.3 billion as at 31.12.2017.

In addition, during the year, the sale of part of the Bank's Non Performing and unsecured retail loans portfolio and Non Performing corporate loans portfolio as well as the sale of Non Performing corporate loans portfolio of its subsidiary Alpha Bank Romania S.A., were completed. These portfolios had been classified as "Held for sale" as of 31.12.2017.

The balance of Group's investment securities stand at € 7.0 billion, increased by € 1.1 billion compared to 31.12.2017 as a result of the investment in qualitative international securities, which are acceptable as collateral by the European Central Bank, in order to leverage the lending capacity provided to the Bank, as well as the reinvestments of funds from the maturity of treasury bills, to Greek Government Bonds.

Due to customers, included in liabilities, amounted to € 38.7 billion increased compared to 31.12.2017 by € 3.8 billion or 11.0%, resulting to a loans and receivables before allowance for impairment to deposits ratio of 132.3%. This ratio is improved compared to 31.12.2017(155.8%), as a result of the gradual deposit inflow during the year.

During the year, the Bank issued covered bonds of € 0.5 billion offsetting the maturities and repayments of common, subordinated and securitized bonds of € 0.3 billion, increasing the balance of "Debt securities in issue held by institutional investors and other borrowed funds", from € 0.7 billion as at 31.12.2017 to € 0.9 billion as at 31.12.2018. In addition, during the year the Bank issued securities of total nominal value € 2.2 billion, used as collateral for financing activities.

The increase of deposits, bond issuance and sale and repurchase agreements (repos), led to a decrease in the Group's dependence on Eurosystem by € 6.8 billion, from € 10.2 billion to € 3.4 billion. Due to banks balance, which amounted to € 10.5 billion, decreased by € 2.7 billion or 20.4% compared to 31.12.2017.

On 31.12.2018, the Group's Equity amounted to € 8.1 billion, decreased by € 1.5 billion compared to 31.12.2017, reflecting the impact from the transition to IFRS 9 which amounted to € 1.1 billion after tax. The Capital Adequacy Ratio declined by 100 base units, standing at 17.4% as at 31.12.2018, since the amount of deferred tax recognized by the end of the year, exceeded the maximum regulatory limit of 10% and was therefore removed from regulatory capital. It is noted that during the year, the Bank successfully completed the Stress Test, and based on its results no capital deficit was found and therefore no capital needs emerged.

Analyzing the financial performance of the year, Group's profit after tax amounted to € 53 million, increased by € 31.9 million compared to profit after tax for the year end 31.12.2017 amounted to € 21.1 million.

Group's tax expense amounted to credit tax amount of

<sup>2</sup> According to European Securities and Markets Authority guidelines (ESMA), the definitions and precise calculations of the ratios are presented in the Appendix of the Annual Report.



€342.3 million against debit amount of €75.6 million for the year 2017, mainly due to the reassessment of the temporary differences between the accounting and tax base of loans and advances to customers. For the aforementioned reassessment which took place at 31.12.2018, took into consideration the provisions of Law 4465/2017 and the interpretative circular of tax authority issued in 2018 and resulted in the recognition of an additional deferred tax asset of €290 million.

The Group's loss before tax amounted to €289.4 million against profit of amount €165.1 million for 2017. The aforementioned movement resulted mainly from the increased impairment losses and provisions to cover credit risk, which amounted to €1,730.6 million against €1,005.4 million and represent credit risk cost of 296 basis points (31.12.2017: 172 basis points). It is noted that the increased impairment losses include the impact of the action plan undertaken by the Bank in the context of the updated targets for the reduction of Non-Performing Exposures and Non-Performing Loans, which were submitted to the Single Supervisory Mechanism in September.

The net operating result (before impairments and income tax) increased by 22.9% or €268.9 million compared to 2017. More specifically, total operating income increased by 5.6% or €138.2 million as a result mainly of the increased profits from financial transactions and impairments on Group's entities amounted to €462.8 million (against €144.7 million in the comparable year) reflecting the increased profits from the sales of Greek Government Bonds.

Net interest income amounting to €1,756 million against €1,942.6 million, has been negatively affected by the reduction of interest on loan portfolios derived from the increased impairment losses recognized during 2018 and from the implementation of IFRS 9 on 1.1.2018. However, the aforementioned decrease was partially offset by the positive impact of the reduction in borrowing from the Eurosystem and the consequent reduction in borrowing cost.

Net fee and commission income amounted to €335.2 million against €323.5 million compared to prior year, presenting an increase of 3.6%, positively affected mainly by the increase of credit cards commission income derived by the increased volume of transactions.

The total operating expenses before impairment losses and

provisions to cover credit risk amounted to €1,162.4 million against €1,293.0 million, which represents a decrease of 10.1% or €130.7 million. In particular, personnel fees increased by €0.9 million, from €474.4 million to €475.3 million, positively affected by the Bank's staff reduction of 556 employees (mainly through staff separation scheme), which was however offset by the provision for cost for incentives, based on profitability and sales, as well as the net inflows of executives to specific subsidiaries.

In addition, the general administrative expenses decreased by €22.6 million, from €555 million to €532.4 million, mainly due to the decrease of specific costs of collection companies, due to the implementation of IFRS 9. Other expenses decreased by €18.6 million or 26.1%, as a result of the decreased impairment of Group's assets (€47.4 million in 2018 against €79.0 in 2017).

As a result of the above, cost to income ratio, excluding the gains less losses on financial transactions and impairments on Group entities and other non-recurring expenses, increased by 3.5% compared to the previous year (31.12.2018: 51.0%, 31.12.2017: 47.5%).

#### Other information

Since in 2017 there were no distributable profits, the Bank's Ordinary General Meeting of Shareholders on 29.6.2018, decided the non-distribution of dividend to ordinary shareholders of the Bank, in accordance with article 44a of Codified Law 2190/1920.

Bank's branches as at 31.12.2018 were 432, out of which 431 established in Greece and 1 established in United Kingdom (London).

#### Risk Management

The Group has established a framework of thorough and discreet management of all kinds of risks, based on best practices, the supervisory requirements. This framework is based on the common European legislation and the current system of common banking rules, principles and standards, is improving continuously over the time in order to be applied in a coherent and effective way in a daily conduct of the Bank's activities within and across the borders making effective the corporate governance of the Bank.

The main objective of the Group during 2018 was to maintain the high quality internal corporate governance and compliance within the regulatory and supervisory provisions risk management in order to ensure the confidence in the conduct of its business activities through sound provision of



suitable financial services.

Since November 2014, the Group falls within the Single Supervisory Mechanism (SSM) -the new financial supervision system which involves the European Central Bank (ECB) and the Bank of Greece - and as a major banking institution is directly supervised by the European Central Bank (ECB). The Single Supervisory Mechanism is working with the European Banking Authority (EBA), the European Parliament, the Eurogroup, the European Commission and the European Systemic Risk Board (ESRB) within their respective competences.

Moreover, since January 1st, 2014, EU Directive 2013/36/EU of the European Parliament and of the Council dated June 26, 2013 along with the EU Regulation 575/2013/EU dated June 26, 2013 ("CRD IV") are effective. The Directive and the Regulation gradually introduce the new capital adequacy framework (Basel III) of credit institutions.

In this new regulatory and supervisory risk management framework, Alpha Bank Group strengthens its internal governance and its risk management strategy and redefining its business model in order to achieve full compliance within the increased regulatory requirements and the extensive guidelines. The latest ones are related to the governance of data risks, the collection of such data and their integration in the required reports of the management and supervisory authorities.

The Group's new approach constitutes of a solid foundation for the continuous redefinition of Risk Management strategy through (a) the determination of the extent to which the Bank is willing to undertake risks (risk appetite), (b) the assessment of potential impacts of activities in the development strategy by defining the risk management limits, so that the relevant decisions to combine the anticipated profitability with the potential losses and (c) the development of appropriate procedures for the implementation of this strategy through a mechanism which allocates the risk management responsibilities between the Bank units.

More specifically, the Group taking into account the nature, the scale and the complexity of its activities and risk profile, develops a risk management strategy based on the following three lines of defense, which are the key factors for its efficient operation:

- Development Units of banking and trading arrangements (host functions and handling customer requests, promotion and marketing of banking products to

the public (credits, deposit products and investment facilities), and generally conduct transactions (front line), which are functionally separated from the requests approval units, confirmation, accounting and settlement. They constitute the first line of defense and 'ownership' of risk, which recognizes and manages risks that will arise in the course of banking business.

- Management and control risk and regulatory compliance Units, which are separated between themselves and also from the first line of defense.

They constitute the second line of defense and their function is complementary in conducting banking business of the first line of defense in order to ensure the objectivity in decision-making process, to measure the effectiveness of these decisions in terms of risk conditions and to comply with the existing legislative and institutional framework, by involving the internal regulations and ethical standards as well as the total view and evaluation of the total exposure of the Bank and the Group to risk.

- Internal Audit, that constitutes the 3rd line of defense. Internal Audit is an independent function, reports to the Audit Committee of the Board of Directors and audits the activities of the Bank and the Group, including the Risk Management function.

### Credit risk

Credit risk arises from the potential weakness of borrowers' or counterparties' to repay their debts as they arise from their loan obligations to the Group.

The primary objective of the Group's strategy for the credit risk management in order to achieve the maximization of the adjusted relative to the performance risk is the continuous, timely and systematic monitoring of the loan portfolio and the maintenance of the credit risks within the framework of acceptable overall risk limits. At the same time, the conduct of daily business within a clearly defined framework of granting credit is ensured.

The framework of the Group's credit risk management is developed based on a series of credit policy procedures, systems and measurement models by monitoring and auditing models of credit risk which are subject to an ongoing review process. This happens in order to ensure full compliance with the new institutional and regulatory framework as well as the international best practices and their adaptation to the requirements of respective economic



conditions and to the nature and extent of the Group's business.

In 2017, in the context of the Bank's and subsidiaries' compliance with the new International Financial Reporting Standard (IFRS) 9, the Group carried out additional work on the development of statistical models, the updating of risk policies and methodologies and the development of appropriate IT infrastructures.

Under this perspective and with main scope to further strengthen and improve the credit risk management framework in 2018, the following actions have been performed:

- Update of Credit Policy Manuals for Wholesale Banking and Retail Banking in Greece and abroad, taking into account both regarding the International Financial Reporting Standard (IFRS) 9, so as to ensure their proper and effective operation, and the supervisory guidelines for credit risk management issues.
- Implementation of the Group Loan Collateral Policy that includes the framework of the basic principles, the rules and the criteria governing the process of initial valuation and revaluation of the value of all types of collateral of the Bank loan portfolio and the portfolio of Group Companies.
- Implementation of a unified Group Credit Control Framework for Wholesale and Retail Banking credit facilities, that defines the type, methodology and content of the credit controls conducted by the Risk Management Unit for Retail Banking, Wholesale Banking and Private and Investment Banking credit facilities for the Bank and the Group Companies in Greece and abroad. At the same time, second line of defense control mechanisms have been strengthened to ensure compliance with Credit Risks Policies at Bank and Group level.
- Ongoing validation of the risk models in order to ensure their accuracy, reliability, stability and predictive power.
- Alignment of the credit risk rating systems of Greece and all Group Subsidiaries abroad based on the requirements of the new International Financial Reporting Standard 9 (IFRS 9).
- Implementation of Impairment Calculation system based on the requirements of the new International Financial Reporting Standard 9 (IFRS 9).
- Development of the necessary policies, procedures and models for the adoption of the International Financial Reporting Standard (IFRS) 9 at Group level.
- Updating the Group Loan Impairment Policy, in compliance with the new evolving institutional and supervisory requirements for prudential supervision, according to the International Financial Reporting Standard (IFRS) 9 requirements.
- Design and implement initiatives in order to enhance the level of automation, accuracy, comprehensiveness, quality, reconciliation and validation of data, as part of the Bank's strategic objective to a holistic approach for the development of an effective data aggregation and reporting framework, in line with BCBS 239 requirements.
- The implementation of the mechanism for the submission of the analytical credit data, the credit risk data, the data of the counterparties for legal entities financing, the governance structure, the operational model and the quality control framework in order to meet the requirements for the monthly submission of analytical credit risk data according to the European Union regulation 2016/867 and the Bank of Greece Governor's Act 2677/19.5.2017 (AnaCredit).
- Implementation of an automated Early Warning Mechanism, according the Group's Early Warning Policy. More specifically, these procedures and actions are defined to identify borrowers or parts of the loan portfolio in time, with probability of non-serving the Group's debts, so that targeted actions at the borrower level and / or portfolios by country where the Group operates.
- Updating of Environmental and Social Risk Policy. During the credit approval process, supplementary to the credit risk assessment, the strict compliance of the principles of an environmentally and socially responsible credit facility is also examined.
- Systematic estimation and assessment of credit risk per counterparty and per sector of economic activity.
- Periodic stress test exercises as a tool for assessing the impact of various macroeconomic scenarios on business strategy formulation, business decisions and the Group's capital position. Crisis simulation exercises are conducted in accordance with the requirements of the supervisory framework and constitute a key component of the Group's credit risk management strategy.

Additionally, the following actions are in progress in order to enhance and develop the internal system of credit risk management:

- Continuous upgrade of databases for performing statistical tests in the Group's credit risk rating models.





- Upgrade and automation of the aforementioned process in relation to the Wholesale and Retail banking by using specialized statistical software.
- Gradual implementation of an automatic interface of the credit risk rating systems with the central systems (core banking systems I-flex) for all Group companies abroad.
- Reinforcing the completeness and quality control mechanism of crucial fields of Wholesale and Retail Credit for monitoring, measuring and controlling of the credit risk.
- Update of the validation framework for credit risk models with discrete statistical measures by model type.
- Update of the framework and policies for the management of overdue and non-performing loans, in addition to the existing obligations, which arise from the Commission Implementing Regulation 2015/227 of January 9, 2015 of the European Committee for amending Executive Committee Act (EU) No. 680/2014 of the Committee for establishing executive technical standards regarding the submission of supervisory reports by institutions. The framework of supervisory commitments for the management of overdue and non-performing loans from credit institutions is determined from the regulation (EU) No. 575/2013 of the European Parliament and the Council and Executive Committee Act of Bank of Greece 42/30.5.2014 and the amendment of this with the Executive Committee Acts 47/9.2.2015, 102/30.8.2016, 134/5.3.2018 and 136/2.4.2018 which define.

This framework develops based on the following pillars:

- a. the establishment of an independent operation management for the "Troubled assets" (Troubled Asset Committee). This is achieved by the representation of the Administrative Bodies in the Evaluation and Monitoring of Denounced Customers Committee as well as in the Arrears Councils,
- b. the establishment of a separate management strategy for these loans, and
- c. the improvement of IT systems and processes in order to comply with the required periodic reporting to management and supervisory mechanisms.

### **Liquidity and interest rate risk of banking portfolio**

During 2018 capital controls in the Greek banking system, which were imposed for the first time in June 29th, 2015, remains, resulting to the reduction of capital sources from the banking system. However, since October 1, 2018, cash

withdrawals from institutions in Greece are permitted without limitation. The deposit gathering campaigns during the year by offering new improved products has led to an increase of customer deposits both at Bank and at Group level by the end of the year. Thus, on 31.12.2018 Bank's customer deposits increased by € 3.24 billion, almost 10.7% compared to 31.12.2017, whereas during the respective period, the customer deposits in the Greek banking system were increased by 6.4%. Respectively, Group's customer deposits increased by 11.0% (€ 3.84 billion) mainly due to inflow of deposits in Alpha Bank Romania. The above amounts include Greek Government deposits, which increased from null as of 31.12.2017 to € 1.3 billion on 31.12.2018.

In 2018, the improvement of the economic climate as well as the restoration of confidence in the Greek economy was reflected in interbank transactions. Specifically, an increase of € 3.2 billion in Group's sale and repurchase agreements (both repos and reverse repos transactions) was evident. In addition, in 2018 there was an increase in the investment securities portfolio due to the purchase of securities amounting to € 1.0 billion.

During 2018, the Bank completed successfully three Covered Bonds issuances of total amount € 2.55 billion. Two out of three issues (amounting to € 2.05 billion) were placed in securities repurchase agreements providing funding of € 1.6 billion to the Bank, while the third issue of € 0.5 billion was sold to third parties.

In addition, within the year the Bank disposed successfully portfolios of Non-Performing Loans, with a total outstanding principal of more than Euro 4.2 billion, through the Venus, Mercury and Jupiter transactions.

As a result, from the above developments on 31.12.2018 Bank's financing from the Eurosystem decreased by 67% from 31.12.2017 reaching the level of € 3.4 billion, of which € 0.3 billion came from the emergency funding mechanism of Bank of Greece (ELA). At the same time, the Eurosystem's Long-term Banking Loan (TLTRO-II) was maintained at € 3.1 billion, despite the return of the waiver for the Greek government securities on 21.8.2018 by the European Central Bank. The Greek government securities were placed in the repurchase agreement. In 2018, the ECB Governing Council decreased the maximum limit of Emergency Liquidity Assistance (ELA) to the Greek banking sector by € 20.8 billion, from € 24.8 billion to € 4.0 billion.

During 2018, the Bank reviewed, in the context of Pillar II



requirements, both Internal Capital Adequacy Assessment Process (ICAAP) and Internal Liquidity Adequacy Assessment Process (ILAAP). Furthermore, in the second semester of 2018, the Bank reviewed the policies and procedures of the Recovery Plan along with the policies and procedures of the liquidity stress test scenarios. At the same time, all the Bank Subsidiaries have reviewed both Contingency Funding Plans and Recovery Plans.

The interbank financing (short, medium to long-term) and the Early Warning Indicators of the Bank and of Group's subsidiaries are monitored on a daily basis with reports and checks in order to capture daily variations.

Due to the criticality of the Greek economy, stress tests are incurred frequently for liquidity purposes in order to assess potential outflows (contractual or contingent). The purpose of this process is to determine the level of the immediate liquidity, which is available in order to cover the Bank's needs. These exercises are carried out in accordance with the approved Liquidity Buffer and Liquidity Stress Scenario of Group's policy.

During 2018, the interest rate risk of the banking portfolio remained at low levels without noticing any exceeding limits. Interest Rate Risk total limit in terms of Risk Appetite & Capacity has been updated while an additional buffer has been approved in order that Bank does not realize limit breach in case of high market volatility. Furthermore, total IRBBB Economic Value Group Limit has been allocated to Subsidiaries, in terms of Risk Appetite and Risk Capacity.

During the year, the new IFRS 9 Chart of Accounts has been finalized in Sendero Asset-Liability application differentiating Loans at Amortized Cost & Fair Value through P&L. Additionally, loans credit risk is presented based on IFRS9 requirements (i.e. Stage 1, Stage 2 & Stage 3) while loans portfolio products are analyzed based on Rate flag & Repricing Index. Consequently, liquidity & repricing conventions of non-maturing assets-liabilities have been updated, in cooperation with ALM Division. Moreover, the project concerning the update of Sendero system database with the risk parameters which are necessary for the loans & deposits fair value calculation has been completed in cooperation with IT department.

Banking portfolio net interest income & fair value are estimated based on EBA "Guidelines on the management of interest rate risk arising from non-trading activities" (February 2018) with the aim of monitoring the short and

medium to long term interest rate risk in terms of Earning at Risk (EaR) and Economic Value of Equity (EVE).

### **Market, Foreign Currency and Counterparty Risk**

The Group has developed a strong control environment applying policies and procedures in accordance with the regulatory framework and the international best practices in order to meet business needs incurring market and counterparty risk while limiting adverse impact on results and equity. The framework of methodologies and systems for the effective management of those risks is evolving on a continuous basis in accordance with the changing circumstances in the markets and in order to meet customer requirements.

The valuation of bonds and derivative positions are monitored on an ongoing basis. Each new position is examined for its characteristics and an appropriate valuation methodology is developed, in case it is required. On a regular basis stress tests are conducted in order to assess the impact on the results and the equity, in the markets where the Group operates.

A detailed structure for trading limits, investment limits and counterparty limits have been adopted and implemented. This structure involves regular monitoring of trigger events in order to perform extra revisions. The limit usage is monitored on an ongoing basis and any limit breaches identified are reported officially.

For the mitigation of the market risk of the banking portfolio, hedging relationships are applied using derivatives and hedge effectiveness is tested on a regular basis.

During 2018, market risk decreased due to the decrease in the volatility in Greek Government Bond credit spreads. It should be noted that during 2018, the market risk internal model was audited by the SSM (Targeted Review of Internal Models) regarding the procedure, the market risk management framework and the capital requirement calculation. According to the audit findings, the model was considered adequate and there were no material findings with impact on the market risk capital requirement calculation. Furthermore, the implementation of the new market risk system continues during the year.

### **Operational Risk**

Operational Risk is defined as the risk of financial or qualitative effects resulting from inadequate or failed internal processes, IT systems, people (intentionally or



unintentionally) and external events. Operational Risk includes Legal Risk.

In the context of its Capital Calculation Process for Operational Risk, the Group implements the Standardized Approach, as it fulfills all qualitative criteria required for its adoption.

In 2018, a project related to the establishment of an Enterprise Fraud Detection and Prevention System has been initiated. In addition, further progress has been made towards the upgrading of Information and Communication Technology (ICT) and Model Risk measurement and assessment methodologies in response to the increased regulatory focus on these Operational Risk categories.

The development of Key Risk Indicators (KRIs) as a control monitoring mechanism has been continued during 2018 at Group level. Concurrently, the operational risk events management processes have been further strengthened.

In line with the Group's established Operational Risk framework, the Risk and Control Self-Assessment (RCSA) procedure was implemented across the Group. The RCSA procedure aims to identify and assess risks that may affect the operations and processes of the Banks' Units/Group Companies, recognize potential control gaps, as well as design and implement action plans for their remediation.

During 2018 the initial risk assessment of the Group's outsourcing contracts has been performed. These risk assessments will be performed on a periodic (annual) basis going forward. The Assessment's tools (questionnaires, scoring templates) have been updated in order to accommodate emerging risk areas (GDPR).

In addition, a methodology was developed to assess the ICT Risk Profile of the Group. The first report is estimated to be released in the first quarter of 2019.

The evolution of Operational Risk Events, the RCSA results and all other Operational Risk related to the Group topics, are closely monitored by the Group's responsible Operational Risk Committees, which are empowered to monitor and review the Group's Operational Risk exposures and ensure that appropriate measures for their mitigation are adopted.

### **Management Non Performing Exposures (NPEs)**

As a result of the Greek financial crisis started in 2009, the NPE/NPL levels increased across all business segments resulting in the deterioration of the Bank's loan portfolio.

However, in a challenging economic environment, the Bank

set as a paramount importance the effective management of NPEs, as this will lead, not only to the improvement of the Bank's financial strength but also to the release of funds towards households and productive business sectors contributing to the development of the Greek economy in general.

On the 30th of September 2016 the Bank submitted to the Single Supervisory Mechanism (SSM) the NPE/NPL targets along with the NPE Strategy Explanatory Note and the relevant Action Plan, depicting the Bank's full commitment towards the active management and reduction of NPEs over the business plan period 2016-2019. On the 29th of September 2017 the Bank submitted the updated NPE/NPL targets to the SSM including the review of the progress made in reducing NPEs/NPLs against the first year's targets, as well as the key changes to the Bank's strategy and Business Plan regarding NPEs.

During the first two years of the Business Plan the Bank managed to achieve its SSM reduction targets, despite the non-conducive macroeconomic environment and the presence of certain impediments in the resolution of NPEs. More specifically, the balance of NPE of the Bank as of 31.12.2018 is lower by € 48 million compared to the target included in the Plan.

On 30 September 2018, the Bank submitted a revised Business Plan, including targets per asset class for the period 2018 – 2021 according to the latest request from SSM. The Bank's objective for the management of troubled assets is to significantly reduce the Solo-level NPE volume at € 8.0 billion, implying an NPE ratio of 20%, approximately by 2021 while curtailing new NPE/NPL formation and minimizing medium term losses for the Bank.

The achievement of objectives is driven by the implementation of initiatives concerning:

- Governance, policies and operating model through increased oversight and active involvement of the Management and the BoD with clear roles and accountabilities through the relevant Committees
- Portfolio segmentation and analysis based on detailed execution roadmaps within a strict and defined segmentation framework under continuous review, update and improvement
- Establishment of new flexible restructuring products with additional functionalities, which are based on debtors' repayment ability and outlook aiming at long-term viable restructurings



- Effective human resources management focusing on know-how and training, which is further improved through attracting specialized executives
- Strategic joint venture initiatives:
  - With Cepal for Retail exposures
  - With Pillarstone (subsidiary of the international private equity firm KKR) on the management of selected large corporate non-performing exposures
  - With doBank Hellas – in cooperation with the other Greek systemic banks – an assignment agreement had been signed for the management of Non Performing SMEs exposures of approximately € 400 million over total SME's exposures of the Greek systemic Banks of € 1.8 billion approximately. The aim of this common initiative of the 4 Greek systemic banks is to tackle with SMEs NPEs, in cases where the banks have common exposure, in coordination and with a uniform credit policy as well as to provide common solutions
- The development and implementation of a uniform management strategy for repossessed real estate properties, aiming at:
  - Monitoring the repossession procedure (asset on-boarding) and its assignment to the Group's subsidiary Alpha Astika Akinita A.E. or to other appropriate asset management agency
  - Supervising and coordinating asset management and development
  - Supervising and coordinating asset commercialization
  - Setting and monitoring appropriate Key Performance Indicators (KPIs) for the asset management agencies (internal units and external collaborators).

The successful implementation of the Bank's NPE Strategy is affected by a number of external/ systemic factors that include – among others – the following:

- Realization of a continuously improving macroeconomic condition
- Intensification of the electronic auctions to support liquidations and serve as a credible enforcement threat to non-cooperative borrowers
- Acceleration of L.3869 court decisions – further legislative changes that facilitate interbank cooperation in managing cases within L. 3869 framework
- New protection scheme on primary residences of vulnerable households is under discussion

- Improvements in management and transfer of NPLs framework; significant transactions are now finalized while conditions are steadily improving for a series of portfolios to be transferred within the upcoming period
- Realization of NPL Forum's outcome for the resolution of common large corporate cases and the cooperation of the banks aiming at a joint management of SME's respectively
- Out-of-Court Workout (OCW) recent enhancements are expected to contribute in the non-performing business loans resolution
- Implementation of the revised legal protection framework for Bank's Staff, will further support towards the acceleration of NPL sales and restructurings with debt forgiveness

The Bank's full commitment towards the active management and reduction of NPEs over the Business Plan period is reinforced through the constant review and calibration of the Bank's strategies, products, and processes to the evolving macroeconomic environment.

### Capital Adequacy

According to article 5 of Law 4303/17.10.2014 as amended by article 4 of Law 4340/1.11.2015 "Recapitalization of financial institutions and other provisions of the Ministry of Finance" deferred tax assets that have been recognized and are due to the debit difference arising from the PSI and the accumulated provisions and other general losses due to credit risk, which were accounted until 30.6.2015, are converted into final and settled claims against the Greek State. The above mentioned are set into force in case the accounting result for the period after taxes is a loss, according to the audited and approved by the Ordinary Shareholders' General Meeting financial statements.

In accordance with article 39 of CRR 575/2013, a risk weight of 100% will be applied to the above mentioned deferred tax assets that may be converted into tax credit, instead of being deducted from regulatory capital.

On 31.12.2018, the amount of deferred tax assets which is eligible to the scope of the aforementioned Law for the Bank and the Group and is included in Common Equity Tier I amounts to € 3,241 million and constitutes 39.2% of the Group's Common Equity Tier I and 6.8% of the respective weighted assets.

Any change in the above framework that will result in the non-recognition of deferred tax assets as a tax credit will



have an adverse effect on the Bank's and Group's capital adequacy.

### **Organizational Structure and Corporate Governance**

Since 2009 discrete units for the management of Retail and Wholesale NPLs have been established which are key pillars for the Bank. These independent Units report directly to the Bank Deputy CEO Non-Performing Loans and Treasury Management through the Executive General Managers and the Heads of each division. Moreover, they are responsible for all the areas which are related to the exposure management – such as monitoring the portfolio and the front line services.

Furthermore, the establishment of the Troubled Assets Committee (TAC) with enhanced / expanded responsibilities is a key pillar in the governance of NPEs management.

Due to the constant need of intense focus on NPE management so as to meet the ambitious SSM targets, the Bank has streamlined the monitoring functions and the management of past due exposures. Dedicated teams are in place within the Bank to monitor the evaluation of a wide range of NPL-related strategies and metrics within the Bank's NPE Strategy aiming at a significant reduction of their distressed assets by the end of 2021 within a challenging environment.

At the same time the Bank completed the setup of an independent unit, through a specialized Alpha Bank Group company, which will undertake the development and the implementation of a uniform management strategy on repossessed real estate properties.

### **Prospects for the future**

The prospects of the Greek economy are positive for 2019. According to the Bank of Greece forecasts<sup>3</sup> the annual growth rate of GDP is expected to accelerate further to 2.3% in 2019 and 2.2% in 2020. Economic recovery is expected to rely on exports, investment and private consumption. Moreover, economic recovery is expected to benefit from the further strengthening of economic sentiment, private sector financing, and the rise in disposable income. Household disposable income is expected to rise, as a result of the increase in employment and the gradual increase of wages. In addition, the boost of private consumption that has been recorded since

2017, is largely linked to the positive expectations, that are supported by the expansionary fiscal policy measures, embodied in the 2019 Budget.

The forecasts regarding the prospects of the Greek economy however, also include a range of risks and challenges.

Regarding the internal developments, the excessive taxation, the pause or the delay in implementing the agreed structural reforms and the privatization program, may cause a deterrent effect on the attraction of new investment funds. Moreover, the international economic environment has become less favorable and more volatile. The escalation of tensions regarding the trade protectionism, the turmoil in financial markets, as well as the possibility of the United Kingdom leaving the European Union (Brexit) without an agreed specific framework, may affect negatively the Greek economy.

Furthermore, the Greek economy in the coming years has to address specific challenges that were caused by the long-term economic crisis. The main challenges are: the high public debt to GDP ratio, the high unemployment rate, especially the long-term unemployment rate, the migration of high-skilled labour force, the management of the non-performing exposures stock of the banking system, the further improvement of competitiveness and the re-access of the Greek State to the international financial markets. It is noted that, despite the successful conclusion of the economic adjustment program in August 2018, Greek Government Bonds have not yet received investment grade, whereas the yields remain relatively high. It is worth noting however that in January 2019, the Greek State issued a new five-year bond, raising Euro 2.5 billion from the international financial markets.

In order for the growth rate to accelerate and the economy to become intact to external risks, the Greek economy needs to overcome the aforementioned challenges. The following steps can contribute towards this direction: (i) the use of a growth-friendly policy mix oriented towards the full implementation of the public investment program and the reduction of tax rates on capital and labor, (ii) a well-functioning public administration supportive to the institutional framework will contribute positively to a stable business environment and therefore to the attraction of foreign direct investment and (iii) the introduction of incentives for research and development that will enhance entrepreneurship.

The Bank's future results will be a function of, among other

<sup>3</sup> Bank of Greece, Monetary Policy Interim Report, December 2018.



factors, its ability to implement the strategies for managing non-performing loans, the developments in the Greek economy, as they will largely define the potential for positive developments in terms of the management of non-performing loans and the restoration of a sound liquidity profile for the Bank, as well as the final form of the institutional initiatives to deal with (ie first residence protection, Bank of Greece proposal, HFSF proposal).

### Transactions with related parties

According to the corresponding regulatory framework, this report must include the main transactions with related parties. All the transactions between related parties, the Bank and the Group companies, are performed in the ordinary course of business, conducted according to market conditions and are authorized by corresponding management personnel. There are no other material transactions between related parties beyond those described in the following paragraph.

**A.** The outstanding balances of the Group transactions with key management personnel which is composed by members of the Board of Directors and the Executive Committee of the Bank, as well as their close family members and the companies relating to them, as well as the corresponding results from those transactions are as follows:

(Amounts in thousand of Euro)

Loans and advances to customers	1,299
Due to customers	6,524
Employee defined benefit obligations	251
Letters of guarantee and approved limits	2,022
Interest and similar income	45
Fee and commission income	4
Interest expense and similar charges	193
Fees paid to key management and close family members	3,716

**B.** The outstanding balances and the corresponding results of the most significant transactions of the Bank with Group companies are as follows:

### i. Subsidiaries

(Amounts in thousand of Euro)

Name	Assets	Liabilities	Income	Expenses	Letters of guarantee and other guarantees
<b>Banks</b>					
1. Alpha Bank London Ltd	15,603	2,212	303		332
2. Alpha Bank Cyprus Ltd	27,791	120,541	1,818	1,712	47,132
3. Alpha Bank Romania S.A.	636,026	173,851	2,867	2,453	292,843
4. Alpha Bank Albania SH.A.	37,250	74,082	2,357	778	21,587
<b>Leasing</b>					
1. Alpha Leasing A.E.	203,705	491	5,719	247	10,000
2. ABC Factors A.E.	400,765	713	11,828	484	74,324
<b>Investment Banking</b>					
1. Alpha Finance A.E.P.E.Y.	283	10,989	1,499	525	
2. Alpha A.E. Investment Holdings		4,069	15	31	
3. Alpha A.E. Ventures Capital Management - AKES		591	36	12	
4. Emporiki Ventures Capital Developed Markets Ltd		10,560			
5. Emporiki Ventures Capital Emerging Markets Ltd		9,642			
<b>Asset Management</b>					
1. Alpha Asset Management A.E.D.A.K	2,518	32,398	10,526	330	18
<b>Insurance</b>					
1. Alpha Insurance Agents A.E.		1,970	1,280	10	
2. Alphalife A.A.E.Z.	1,558	15,524	6,992	10,715	
<b>Real estate and hotel</b>					
1. Alpha Astika Akinita A.E.	283	75,294	913	6,780	
2. Emporiki Development and Real Estate A.E.		779		3	



Name	Assets	Liabilities	Income	Expenses	Letters of guarantee and other guarantees
<b>Real estate and hotel (continued)</b>					
3. Alpha Real Estate Bulgaria E.O.O.D.		22		68	
4. Chardash Trading E.O.O.D.		439		5	
5. Alpha Investment Property Attikis A.E.		32			
6. Alpha Investment Property Attikis II A.E.		920	1		
7. Stockfort Ltd		2,316	111		
8. AGI-RRE Zeus S.R.L.		1,152	215	1	
9. AGI-RRE Poseidon S.R.L.		337	94		
10. AGI-BRE Participations 2 E.O.O.D.			46	19	
11. AGI-BRE Participations 2BGE.O.O.D.	8,837		309	15	
12. AGI-BRE Participations 3 E.O.O.D.			97		
13. AGI-BRE Participations 4 E.O.O.D.			639	(221)	
14. APE Fixed Assets A.E.		72			
15. HT-1 E.O.O.D.			2	(2)	
16. SC Carmel Residential S.R.L.		224	118		
17. AGI-RRE Cleopatra S.R.L.		227	112		
18. AGI-RRE Hera S.R.L.		940	27		
19. Alpha Investment Property Neas Kifisias A.E..		339	5		
20. Alpha Investment Property Kallirois A.E.		481	1		
21. Alpha Investment Property Livadias A.E.		807	13		
22. Alpha Investment Property Kefalariou A.E.		66			
23. Ashrom Residents S.R.L.		165	129		
24. Cubic Center Development S.A.		176	258	86	
25. Alpha Investment Property Neas Erythreas A.E.	2,973	331	40		
26. Alpha Investment Property Chanion A.E.		303			
27. AGI SRE Participations 1 DOO	27,873		543		5,000
28. Alpha Investment Property Spaton A.E.		901	34		
29. TH TOP Hotels SRL				(138)	
30. Alpha Investment Property Kallithea A.E.	1,386	1,356	36	(35)	
31. AGI - RRE Participations 1 SRL		142			
32. Romfelt Real Estate SA		22			
33. SC Cordia Residence Srl		51			
34. Alpha Investment Property IrakleiouA.E.		19			
35. Alpha Investment Property GI IA.E.		23			
<b>Special purpose and holding entities</b>					
1. Alpha Credit Group Plc		896			
2. Alpha Group Jersey Ltd	70	15,294			15,542
3. Alpha Group Investments Ltd		40,477		10	
4. Alpha Real Estate Managements and Investments S.A.		337,962	17	1,847	
5. Ionian Equity Participations Ltd		2,612			
6. AGI – RRE Participations 1 Ltd		2,002		3	
7. Alpha Group Ltd		2,700			
8. Katanalotika Plc	1,096				
9. Epihiro Plc		1,249			
10. Irida Plc	430,067	135,142	34		
11. Pisti 2010-1 Plc		142			
12. Alpha Shipping Finance Ltd	4	247,055	6,768	19,368	
13. Umera Ltd	414,749	34,359	6,716	(274)	843
14. AGI-RRE Poseidon Ltd		5,604	282		
15. AGI-BRE Participations 4 Ltd		2,275	15		



Name	Assets	Liabilities	Income	Expenses	Letters of guarantee and other guarantees
<b>Special purpose and holding entities (continued)</b>					
16. AGI-RRE Artemis Ltd		1,619	13		
17. Zerelda Ltd		998			
18. AGI-Cypre Ermis Ltd	935,500	21,529	20,149	1,966	702
19. AGI-Cypre Alaminos Ltd			20		
20. AGI-Cypre Tochini Ltd		9	3		
21. AGI-Cypre Mazotos Ltd			18		
22. Alpha Proodos DAC	10	62,548	60	4,207	
23. AGI-Cypre Evagoras Ltd		10			
32. Asmita Gardens Srl		463			
<b>Other companies</b>					
1. Kafe Alpha A.E.		278	18	336	
2. Alpha Supporting Services A.E.	485	29,425	1,119	3,784	
3. Real Car Rental A.E.		331			
4. Emporiki Management A.E.	22	2,257	62		
5. Alpha Bank Notification Services A.E.	200	2,310	537	6,218	

## ii. Joint ventures

(Amounts in thousand of Euro)

Name	Assets	Liabilities	Income	Expenses	Letters of guarantee and other guarantees
1. APE Commercial Property A.E.		179	2	2	
2. APE Investment Property A.E.		7,890	1,012	10	
3. Alpha Taneo A.K.E.S		140			
4. Rosequeens Properties S.R.L.	7,665		806	1,180	
5. APE Athens Commercial Stores S.A.		6,500			

## iii. Associates

(Amounts in thousand of Euro)

Name	Assets	Liabilities	Income	Expenses	Letters of guarantee and other guarantees
1. AEDEP Thessalias and Stereas Ellados		292			
2. Banking Information Systems A.E.		277			
3. Olganos A.E.	757		9	(189)	
4. Alpha Investment Property Eleona A.E.	53,075	30	841	372	
5. Cepal Holdings A.E.	1,921	12,197	35	16,384	
6. Alpha Investment Property I A.E.		13,514	105	9	

<b>Total</b>	<b>3,212,472</b>	<b>1,536,134</b>	<b>87,624</b>	<b>79,111</b>	<b>468,323</b>
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## C. Other related party transactions

The outstanding balances and the corresponding results are analyzed as follows:

(Amounts in thousand of Euro)

	Assets	Liabilities	Income	Expenses
Employees Supplementary Funds – TAP		7		
Hellenic Financial Stability Fund – HFSF			10	





## CORPORATE RESPONSIBILITY - NON FINANCIAL REPORT

Alpha Bank's Management oversees the Bank's corporate responsibility performance. In 2018 Bank Executives met with members of the Senior Management, the Board of Directors and the Audit Committee for the presentation and discussion of the Bank's actions on corporate responsibility (e.g. materiality analysis, publication of Alpha Bank's non-financial information in line with the Greek legislation etc.). In addition, Senior Management Executives, some of whom also serve as members of the Board of Directors, assessed the risks of non-financial issues for the responsible operation of the Bank.

### Alpha Bank Corporate Responsibility Policy

With a view to ensuring its sustainable development, Alpha Bank is committed to operating responsibly, taking into account the economic, social and environmental parameters of its operation, both in Greece and in the other countries where it is present. To this end, it promotes communication and cooperation with all its Stakeholders.

In order to enhance social responsibility and integrate it into the Group's principles and values in the best possible way, Alpha Bank applies the law and aligns its activity with internationally recognised guidelines, principles and initiatives on sustainable development, such as the OECD Guidelines on Responsible Business Conduct, the Principal Conventions of the International Labour Organisation (ILO), and the United Nations' Universal Declaration of Human Rights (UDHR).

Alpha Bank's **organisation and operation** follow the best banking and business practices. They are governed by principles such as integrity and honesty, impartiality and independence, confidentiality and discretion, in line with the Bank's Code of Ethics and the principles of Corporate Governance. Particular significance is attached to the identification, measurement and management of the undertaken risk, to the compliance with the applicable legal and regulatory frameworks, to the transparency and to the provision of full, accurate and truthful information to the Bank's Stakeholders.

The Bank's primary goals are credibility, reliability and efficiency in banking services. Its key concerns are to continuously improve the products and services it offers and to ensure that its **Customers'** banking needs are

addressed in a modern and responsible manner. It examines and incorporates non-financial criteria (on issues related to the environment, society and corporate governance) in its financing procedures, as well as in developing and placing new products and services on the market.

Alpha Bank is responding with increased awareness to matters concerning the protection of the **environment** and the conservation of natural resources, and is committed to addressing the direct and indirect impacts of its activities on the environment.

Alpha Bank implements responsible policies with regard to its **Human Resources**. In particular, the Bank:

- Respects and defends the diversity of its Employees (age, gender, ethnic origin, religion, disability/special capabilities, sexual orientation etc.).
- Ensures top-quality working conditions and opportunities for advancement based on merit and equitable treatment, free of discrimination.
- Offers fair remuneration, based on contracts which are in agreement with the corresponding national labour market and ensures compliance with the respective national regulations on minimum pay, working hours and the granting of leave.
- Defends human rights, recognises the right to union membership and to collective bargaining, and opposes all forms of child, forced or compulsory labour.
- Treats all Employees with respect.
- Provides Employees with continuous education and training.
- Ensures the health and safety of Employees at the workplace and helps them balance their professional and personal life.

The Bank's activities are directly linked to the society and the citizens. Therefore, Alpha Bank seeks to contribute to the efforts to support the **society** and the citizens, giving priority to culture, education, health and the protection of the environment.

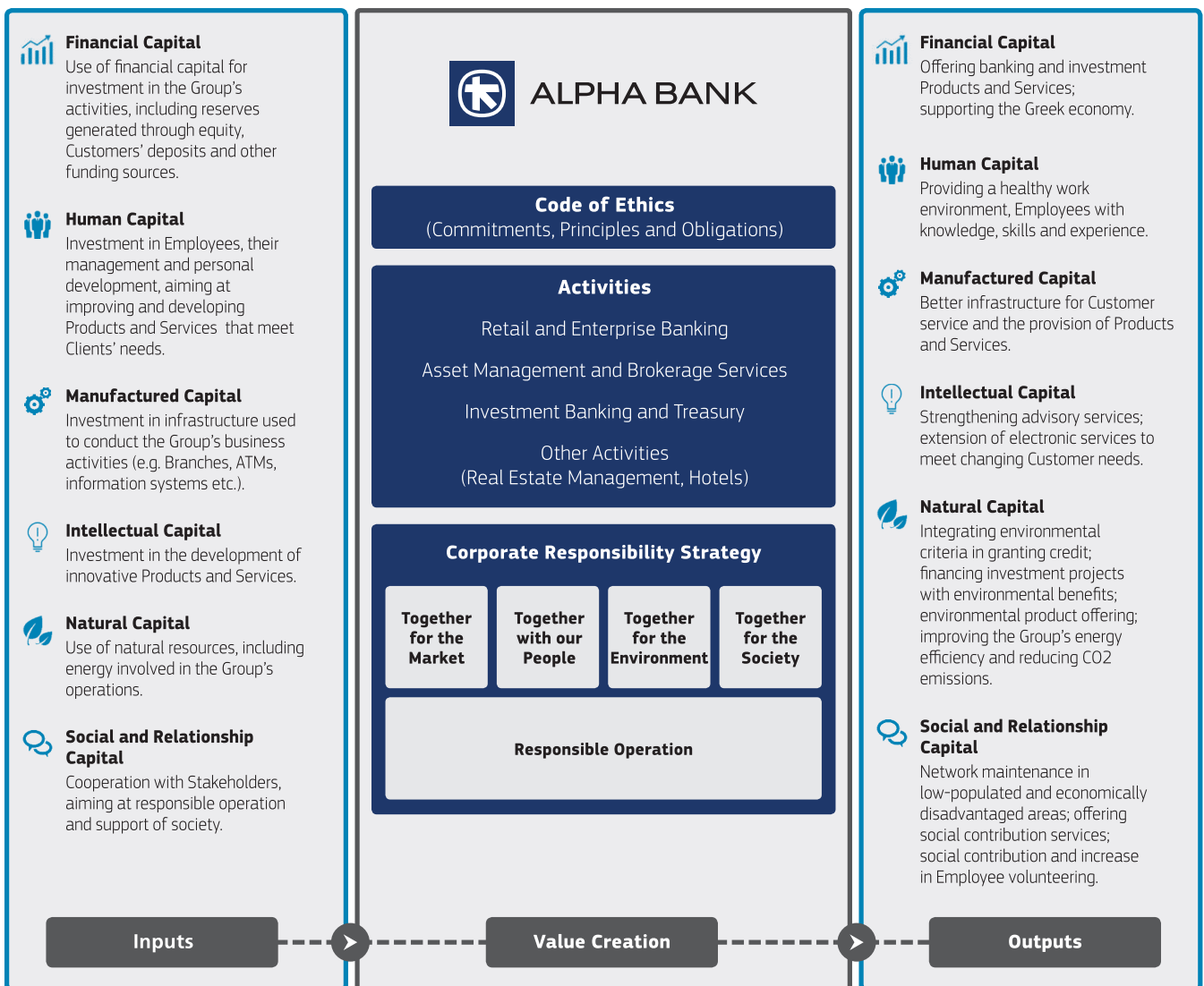
The Bank applies the Corporate Social Responsibility principles across the entire range of its activities and seeks to ensure that its suppliers and partners also comply with the values and business principles that govern its operation.



### Business Model

The Business Model of Alpha Bank aims to create value for its Stakeholders. Alpha Bank invests in its Employees, in its network and infrastructures in order to develop and place on the market high quality services and products. It also works together with its Stakeholders in order to identify their requirements in a timely manner, to ensure its responsible

operation and to support the society. Alpha Bank provides a healthy work environment, in which its Employees broaden their knowledge and skills and contribute to the development of new products and services. Alpha Bank supports the Greek economy, enhances its electronic services, offers products and services with specific social and environmental characteristics, and actively contributes to the society.



Alpha Bank Business Model



## Corporate Responsibility Strategy

Alpha Bank has built its corporate responsibility strategy in five pillars. The Bank's strategy addresses business ethics, anti-corruption and bribery, supply chain, responsible products and services, customer care and satisfaction, social and employee matters, respect for human rights and environmental aspects.

### 1. Responsible Operations

Alpha Bank is one of the four systemic banks in Greece and, as such, its economic performance has a broader effect on the country's economy. The Bank's performance is of high priority for its Management.

The Bank's Corporate Governance, Risk Management and Compliance functions are significant, for the assurance of the implementation of best practices in the Bank's business activities, its management and the rules of conduct that apply to its Executives and Employees, not only in their interactions with each other, but also with Customers, Shareholders and third parties. At the same time, they also serve the same purpose within the Group, which the Bank has created through its business growth in Greece and abroad. Alpha Bank complies with the applicable legal and regulatory frameworks at national as well as at European level and regularly monitors and manages operational and market risk.

Alpha Bank has adopted a Corporate Governance Code and a Code of Ethics. The Corporate Governance Code outlines the framework and the guidelines for the Bank's governance. It also defines the duties and the allocation of responsibilities between the Board of Directors, the Board Committees, the Executive Committee and the other Committees of the Bank. The Code of Ethics describes the Bank's commitments and practices regarding its activities, its management and the rules of conduct that apply to its Executives and Employees not only in their interactions with each other but also with business parties and with the Shareholders. The application of the Code of Ethics and of the principles of Corporate Governance, together with the operation of the Board Committees, has allowed Alpha Bank to effectively enhance the principles of integrity and transparency in its operation and to ensure the optimal risk management. More information on Alpha Bank's Corporate Governance is presented in the Corporate Governance Statement.

### Fundamental Codes, Policies and Compliance

#### Regulations applied by Alpha Bank

- Code of Ethics
- Corporate Governance Code

- Compliance Policy
- Human Resources Policy and Procedures Manual
- Operational Risk Management Policy
- Fraud Risk Management Policy
- Credit Risk Early Warning Policy
- Group Credit Risk Management Policy
- Group Market Risk Management Policy
- Group Environmental and Social Risk Management Policy on Legal Entities Lending
- Group Loan Impairment Policy
- Avoidance of Conflict of Interest Policy
- Policy on Related Parties Transaction
- Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) Policy Manual
- Outsourcing Policy
- Group Personal Data Protection Policy
- Corporate Responsibility Policy
- Policy and Procedure for the Provision of Financial Assistance (sponsorships)
- Group Environmental Management Policy
- Whistleblowing Policy and Procedures

Since 2016, the Group has incorporated the «Environmental and Social Risk Management Policy on Legal Entities Lending» in the Group's existing Credit Risk Management Framework and the Group's Credit Policy, thereby enhancing the effective management of the environmental and social dimension of financing. The Policy presents the responsibilities and the approach followed in managing environmental and social risk at every stage of the lending process – from identifying the origin of credit risk to its assessment, granting final approval and monitoring the Group's Wholesale Banking Customers. It also provides an industry-specific Exclusion List (i.e. a list of sectors that the Group does not finance), as well as a list of crucial industry sectors/activities associated with environmental and social risk.

The Group's «Environmental and Social Risk Management Policy on Legal Entities Lending» has different application levels based on a) the environmental and social responsibility risk category in which each Customer has been classified and b) the type of financing. In all cases, specialised questionnaires are used to retrieve a brief history of the Customer. In specific cases, as identified by certain criteria, an on-site inspection is conducted by a special adviser so



as to identify, assess, mitigate and / or eliminate potential environmental and social responsibility risks. In cases of new financing arrangements for Project Finance investments, the environmental and social responsibility risks are assessed thoroughly by means of an on-site inspection.

The development of a comprehensive and effective Business Continuity Management Framework by Alpha Bank ensures, to the maximum extent possible, the protection of the health and safety of Employees, the uninterrupted provision of services to Customers and other Stakeholders (Shareholders, business partners, suppliers, Regulatory and State Authorities etc.) and the minimisation of the consequences (in terms of operation, finances, legal issues and reputation) in case of an unforeseen event which can affect its operation.

The high-level principles of the Business Continuity Framework for credit institutions were introduced in 2006 by the Basel Committee on Banking Supervision. Since then, the relevant legal and regulatory frameworks are constantly revised and further developed, in line with international standards and, in particular, with the ISO 22301 Standard (Business Continuity Management System), which lays down the basic principles and the specifications for the management of business continuity.

Finally, Alpha Bank's procurement policy aims to ensure delivery to the Bank's internal network of services/materials meeting the required standards, at optimal cost and within schedule.

## 2. Together for the Market

The Bank's strategy and operation are pivotal in developing and providing quality products and services with consistency and speed. Modern banking requires a modernised branch network, alternative networks and electronic services, facilitation of access to financial services for all and the support of Customers, so that they can better cope with the prevailing socio-economic conditions. A well-planned strategy allows the Bank to keep improving its products and services in terms of both quality and quantity, to address all of Customers' banking needs in a modern and responsible manner and to ensure a linear day-to-day operation.

Alpha Bank offers products and services to support households and business, responsible investment choices to its Customers, and invests in large infrastructure projects and projects that have a positive environmental impact.

Throughout its operation, the protection of the Customer's personal data is significant, given that corporate information is a critical asset of the Bank, which attaches particular importance to taking the appropriate measures to protect

this information during its entire life cycle (creation, use, processing, storage and destruction).

Responsible reporting to Customers and Customer satisfaction constitute the Bank's primary goals, while addressing all Customers' banking needs in a modern and responsible manner is the daily responsibility of its Employees.

## 3. Together with our People

Alpha Bank's Employees constitute its most valuable asset and its cornerstone, since the Bank's growth and the achievement of its goals largely depend on their competence. Flexible, committed, united and with a strong sense of responsibility, they successfully adapt to the ever-changing circumstances. Additionally, employee training and development is key to the achievement of the Bank's business goals to offer quality and upgraded services as well as to the Employees' personal development and advancement.

Alpha Bank implements fair labor practices and policies with regards to its Employees, following well established international guidelines. It strives to build a positive work environment where an encouraging employee experience fosters a relationship of mutual trust and reciprocity.

A key factor in increasing performance and enhancing creativity and innovation at Alpha Bank is making the best out of Employees with equal opportunities in terms of development and advancement, based on uniform qualification and competence evaluation procedures.

The Bank's training ensures that the training needs of the Personnel are covered, thus preventing any gaps or weaknesses in connection with the human resources employed. Training needs arise in connection with specific knowledge areas, areas of experience or even personal skills, manifesting themselves as behaviour in the workplace. Through appropriate training programmes, the Training Division addresses any weaknesses and further bolsters the comparative strengths of the Bank's Personnel professional competence.

Health and safety at the workplace are significant for the Bank and its Human Resources, as any illnesses, injuries or other health issues may affect the work environment and the Employees' efficiency. The safety of Employees, in particular, is a matter of the utmost importance in the banking sector. Therefore, the Bank takes measures to ensure that the workplace is suitable, to eliminate or reduce occupational risk and to prevent any injuries.



The Bank is aware of the importance for its Employees to be able to retain control of their personal data, and it reaffirms its commitment to processing these data responsibly. In this digital era, Alpha Bank is committed to protect and maintain the security of its Employees personal data and strengthen their trust.

#### 4. Together for the Environment

Raising awareness on environmental issues and protecting the environment are key priorities for the Bank. Alpha Bank, fully aware of the consequences of climate change and the way these consequences can affect every aspect of human activity, develops and provides products that allow investment in actions aimed at energy saving, the development of renewable energy sources and the modernization of production procedures by businesses (including Small and Medium-sized Enterprises) as well as corresponding initiatives by households. Additionally, the Bank enhances the management of its financing operations' environmental dimension, by incorporating new procedures for the assessment of environmental risk in its Credit Risk Management Framework.

Additionally, the Bank aims to reduce its environmental footprint by promoting the rational use of lighting, heating and cooling installations in its buildings, the use of environment-friendly class A++ or higher energy efficiency equipment as well as distance training, by implementing initiatives for the efficient use of raw and other materials and by applying the "reduce, reuse, recycle" principle in the management of the waste produced.

Furthermore, the Bank organises, supports and participates in environmental actions to cultivate the ecological conscience of its Employees and their families and to improve the quality of the environment.

In 2018, recognizing its responsibility to actively contribute to prevent climate change, Alpha Bank reviewed its Environmental Policy, to better capture its commitment towards an environmentally responsible operation, and developed environmental management procedures according to the requirement of ISO 14001.

#### 5. Together for the Society

To ensure the transparency of its social investments, the Bank applies an internal evaluation system, according to which all proposals are assessed using objective performance evaluation criteria (economic, social and environmental) and are approved or rejected depending on the evaluation result. To assist the evaluation procedure of the sponsorship

requests received, a relevant Sponsoring Manual has been drawn up. This Manual was updated in 2016, was expanded with additional topics and is currently available on the Alpha Bank Intranet as the Bank's "Policy and Procedure for the Provision of Financial Assistance (Sponsorships)".

Alpha Bank continues to invest in activities and initiatives that support education, culture, healthcare and the environment.

In addition, the Bank's Personnel continues to take active part in blood donation and social solidarity and environmental events organised in cities where the Bank is present. Employees are informed about the opportunities to participate in various social and environmental events by means of relevant announcements published on the Alpha Bank Intranet, which includes a special section on matters related to the Bank's corporate responsibility.

#### Risk Analysis

In 2018, Alpha Bank enhanced its process and approach for the identification and mapping of the most material issues for its responsible operation (materiality analysis). Stakeholders and Senior Management Executives were involved in the process, in accordance with best practices.

Aiming to advance the process, the Bank adopted a risk management approach for the analysis of priorities by the Senior Management. The methodology followed was in line with the existing risk management methodologies and tools used by Alpha Bank. Eight Senior Management Executives (i.e. Deputy CEOs, General Managers and Executive General Managers), some of whom also serve as members of the Board of Directors, assessed the likelihood of occurrence of known and potential impacts / risks within the next two years as well as their severity on the Bank, the society, the economy and the environment.

Furthermore, Alpha Bank organised focus groups / workshops with representatives from each Stakeholder group (i.e. Analysts and Investors, Business Community, Employees, Media, Customers, Suppliers, Societies – Associations and other Organisations, Local Communities, the State and Regulatory Authorities) to collect and evaluate qualitative data.

The issues that emerged are presented in detail in Alpha Bank's Corporate Responsibility Report 2018.

In the following pages the primary potential risks for the five areas specified by the Greek Law 4548/2018 and the General Commercial Registry's Circular 62784/2017 are presented along with an outline of Alpha Bank's management approach.



## ENVIRONMENT

Potential Risks	Alpha Bank's Management
<ul style="list-style-type: none"> <li>• Inability to integrate environmental criteria into the design of new products and services (e.g. products with positive environmental impacts), offer of environmentally responsible investments, participation in the financing of projects with positive effects on the environment.</li> <li>• Failure to assess environmental risks in customer and project finance, including inadequate monitoring of risk management during the implementation of the financed projects. Refraining to address risks presented by climate change to businesses, such as the impact of more extreme weather events.</li> <li>• Increased energy use (e.g. from bank branches, buildings and data centres and consumption during transport and distribution of mail, information material, employee transportation etc.).</li> <li>• Increased environmental footprint (e.g. paper consumption, water consumption, insufficient management of hazardous waste).</li> </ul>	<p>Alpha Bank develops and provides banking products with positive environmental impacts. It offers thematic investments with a positive direct or indirect impact on humanity and the environment (Socially Responsible Investing - SRI) as well as on mutual fund choices that also take into account social responsibility and corporate governance with regards to the underlying assets under management (Environmental, Social and Governance - ESG criteria).</p> <p>The Bank's specialised Project Finance Unit works on securing financing for investments in renewable energy sources and waste management projects. In order to assess these investments, project teams collaborate with specialised technical advisors on the projects' environmental due diligence. Following the disbursement of credit, adherence to environmental terms and commitments is obligatory, throughout the long duration of the said financings.</p> <p>Additionally, Alpha Bank manages the environmental dimension of financing through its "Environmental and Social Risk Management Policy on Legal Entities Lending". The Policy serves as a brief declaration of the Bank's commitment to sustainable finance, including the effective management of the environmental and social dimension of its financing activities.</p> <p>All obligors-legal entities are evaluated, assessed and reviewed against the possible environmental risks in each stage of the Group's corporate credit procedure.</p> <p>Alpha Bank monitors its environmental impacts related to its operation and takes actions to reduce energy and water consumption. The revised Environmental Policy and new procedures according to the requirement of ISO 14001 will improve the management of these issues. It should be noted that, through these procedures, the Bank identifies and assesses known and potential environmental risks and opportunities in a more formal and detailed manner. More information on risks and opportunities associated with climate change are reported on the CDP platform, which has been aligned with the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD).</p>



## SOCIAL AND EMPLOYEE MATTERS

Potential Risks	Alpha Bank's Management
<ul style="list-style-type: none"> <li>• Insufficient human resources management (e.g. resulting in high Employee turnover, insufficient incentives for new Employees, unsatisfied and insecure Employees / trade unions, Employees without a common vision / culture, limited cooperation between Employees etc.).</li> <li>• Implementation of unfair labour practices (e.g. resulting in incidents of racial, religious and political racism in the workplace, unequal treatment of men and women, lack of job opportunities for people with disabilities, inefficient complaint handling mechanisms for labour practices etc.).</li> <li>• Insufficient health and safety management at the workplace (e.g. resulting in injuries of Employees / contractors at work, lost days of work, breaches of regulations governing workplace health and safety, lack of Emergency Plans in the Bank's buildings and branches etc.).</li> <li>• Failure to manage impacts on society and local communities (e.g. failure to support local economy, reduce awareness of local communities' needs and dynamics, failure to monitor and reporting Bank's indirect impacts to society etc.).</li> <li>• Unable to provide social contribution, promote and support Employee efforts to improve environmental and social practices.</li> <li>• Inability to integrate social criteria into the design of new products and services, to offer socially responsible investments, to participate in the financing of projects with positive impacts on society.</li> <li>• Failure to assess social risks in customer and project finance.</li> </ul>	<p>As stated in its Corporate Responsibility Policy, the Bank respects and defends the diversity of its Employees and treats all Employees with respect. It ensures top-quality work conditions and opportunities for advancement that are based on merit and equitable treatment, offers fair remuneration and provides Employees with continuous education and training.</p> <p>Alpha Bank has established a weekly "Communication Day". On this day, any Employee who wishes to do so, can meet the Manager of the Human Resources Division to discuss any work-related or personal matter, while similar meetings are also held between Officers of the Human Resources Division and Employees.</p> <p>Employees, Customers and suppliers may report through the Bank's whistleblowing mechanism any irregularities, omissions or offences that came to their attention, such as serious violation of policies and procedures, acts that arguably offend the code of ethical practice of the Bank and the Group Companies, acts that endanger the safety of an Employee etc. Disputes of a labour relations nature are addressed in accordance with the provisions of the Personnel Regulation of the Bank.</p> <p>With regards to the health and safety of its Employees, the Bank not only complies with the laws in force, but also ensures the provision of additional benefits and programmes such as training programmes related to robbery incidents, hostage-taking, fire safety, earthquake and building evacuation etc.</p> <p>Alpha Bank continually supports society and local communities through activities and initiatives that support education, culture, healthcare and the environment. The Bank promotes corporate social responsibility and the concept of voluntarism by raising the awareness of Employees and by increasing the number of the relevant programmes and initiatives. Furthermore, the Bank provides humanitarian assistance to people affected by floods, earthquakes or other natural disasters, offering clothes and long-life food supplies.</p> <p>Alpha Bank provides banking and investment products and services with positive social impacts, along with the coordination of internal and external (Customer) events focused on the merits of ESG investing. The Bank's Project Finance Unit works on securing financing for investments in large infrastructure projects aiming at benefiting society.</p> <p>The Bank manages the social dimension of financing through its "Environmental and Social Risk Management Policy on Legal Entities Lending".</p>

**HUMAN RIGHTS**

Potential Risks	Alpha Bank's Management
<ul style="list-style-type: none"> <li>• Violations of human rights (e.g. freedom of association, collective bargaining, forced or compulsory labour, child labour etc.).</li> <li>• Inefficient complaint handling mechanisms for human rights issues.</li> </ul>	<p>Alpha Bank through its Corporate Responsibility Policy outlines its approach and commitment on human rights management. The Bank ensures its full alignment with the applicable laws and takes into account the fundamental principles of the Universal Declaration of Human Rights and the Conventions of the International Labour Organisation.</p> <p>The Bank respects human rights, recognises the right to union membership and collective bargaining and opposes all forms of child, forced or compulsory labour. Collective bargaining and union membership rights are protected by national and international legislation.</p> <p>It should be noted that all regular Employees of the Bank are covered by the Sector Collective Bargaining Agreements and the Collective Agreements at Bank level.</p> <p>Employees, Customers and suppliers may report through the Bank's whistleblowing mechanism any violations that came to their attention.</p>

**ANTI-CORRUPTION AND BRIBERY**

Potential Risks	Alpha Bank's Management
<ul style="list-style-type: none"> <li>• Corruption / bribery / fraud incidents within the Bank or involving other entities (e.g. suppliers, distributors etc.) that are doing business with the Bank.</li> <li>• Legal actions / fines against the Bank.</li> <li>• Lack of or ineffective operation of anonymous reporting mechanisms (whistleblowing).</li> <li>• Lack of or ineffective operation of grievance mechanisms regarding incidents of bribery, corruption and fraud etc.</li> </ul>	<p>Alpha Bank conducts audits of transactions and Customers for compliance with the regulatory framework, aimed at combating money laundering, financial crime and fraud, using the specialised control and reporting systems it has put in place and working closely with the competent Regulatory Authorities. In line with its firm and unwavering position against corruption, the Bank has established a system of relevant policies (on the Prevention of Conflict of Interests, Related Parties Transactions, Whistleblowing) and examines all cases which could present a risk associated with corruption and bribery.</p> <p>Training programmes on anti-money laundering and anti-corruption policies and procedures are carried out by Bank Employees.</p> <p>Additionally, the Bank has established the position of Anti-Money Laundering (AML) Officer in each one of its Branches. These Branch AML Officers are provided with adequate training on AML and anti-corruption policies and procedures as well as with daily telephone support to ensure that they are able to identify and handle such incidents.</p> <p>Employees, Customers and suppliers who become aware of serious irregularities, omissions or offences, may report them in accordance with the Bank's Whistleblowing Policy and Procedures.</p>



**SUPPLY CHAIN**

<b>Potential Risks</b>	<b>Alpha Bank's Management</b>
<ul style="list-style-type: none"><li>• Doing business with suppliers that fail to respect labour practices criteria, human and labour rights, with negative impact on society and/or the environment.</li></ul>	Alpha Bank has identified the Corporate Social Responsibility principles that should be applied by the Bank, its suppliers and partners in its Corporate Responsibility Policy. All suppliers are expected to comply with this Policy and operate responsibly. When evaluating suppliers' performance, the Bank assesses whether they have had their management systems certified according to international standards such as ISO 9001, ISO 18001 and ISO 14001.

The effective management of all types of risk focuses on accurate and efficient measurement using specialized methods and calculation models, and on the adoption of policies and limits through which the Bank's exposure to various risks is monitored. In this context, it should be noted that Alpha Bank has a special Risk Management Business Unit, which reports to the General Manager - Chief Risk Officer of the Group, to the Risk Management Committee and (through the latter) to the Board of Directors of the Bank. More information regarding the risk management practices applied by Alpha Bank is presented in earlier sections of the Board of Directors' Annual Management Report, the Corporate Governance Statement and the Notes to the Financial Statements.



## PERFORMANCE IN 2018

The table below presents sample indicators on Alpha Bank's performance in 2018. The indicators have been selected taking into consideration the internationally recognized Global Reporting Initiative guidelines. Detailed information

and additional performance indicators for the Bank, together with information on the corporate responsibility activities of the Group's subsidiaries, are presented in the Alpha Bank Corporate Responsibility Report 2018.

Indicators	Alpha Bank A.E.	Alpha Bank Group <sup>1</sup>
Employees (number of Employees)	7,793	10,810
Employees with disabilities (number of Employees)	142	155
Women Employees (%)	55%	60%
Recruitment of women Employees (%)	40%	70%
Percentage of women in managerial positions (Branch Manager or higher) (%)	36%	42%
Percentage of Employees covered by Collective Labour Agreements (%)	100%	78%
Employee Training (hours of training per Employee)	18	23
Number of fatalities (number of Employees)	-	-
Number of injuries <sup>2</sup> (number of Employees)	2	3
Social contribution (Euro)	2,422,453	2,926,267
Percentage of branches accessible by people with disabilities (PwD) (%)	57%	68%
Percentage of monetary transactions made through alternative networks <sup>3</sup> (%)	85%	83%
Percentage of debit and credit cards for which an electronic monthly bill is sent (e-statements) (%)	32%	30%
Convictions against the Directors of the Bank <sup>4</sup> for any offence including those under Law 4022/2011 for "corruption offences".	-	-
<sup>1</sup> Includes data from the Group's Banks in Greece, Cyprus, Albania and Romania. <sup>2</sup> Excludes incidents caused by pathological causes. <sup>3</sup> Alpha Bank's alternative networks: Alpha Web Banking Private and Business - Alpha Mobile Banking and Alpha Phone Banking. <sup>4</sup> As the Directors of the Bank are defined the members of the Bank's Board of Directors and General Managers.		

In 2018, Alpha Bank, after its successful assessment by the FTSE International Organisation, remained a constituent of the Financial Times Stock Exchange 4Good (FTSE4Good) Emerging Index, which assesses listed companies in emerging markets with a positive financial, environmental and social performance. Moreover, it showed significantly higher performance than in the previous year in the three pillars of assessment related to environmental, social and governance issues. Its inclusion in the FTSE4Good international index proves that, in parallel with its business activity, the Bank is also highly aware of environmental and social issues by investing effectively in sustainable

development. At the same time, it also strongly motivates it to strengthen its presence in the Corporate Responsibility domain, both in Greece and internationally.

In January 2019, Alpha Bank was included, for the first time, in the 2019 Bloomberg Gender-Equality Index (GEI). The Bloomberg GEI is the world's only comprehensive investment-quality data source on gender equality. The index is global and sector neutral, representing companies across all sectors and geographies and is comprised of companies that have scored above a globally-established threshold.



In 2018, Alpha Bank reported to the CDP platform the required information for the climate change questionnaire, achieving a B- rating. The Bank's improved score compared to 2017 reflects its commitment to actively promote a "green" business operation.

In the framework of the "Social Responsibility Reaction Excellence Awards 2018" organised by the non-profit Organisation, "Reaction", Alpha Bank Cyprus received an honorary award for its continuous support to the Organisation as well as a broader contribution towards society. The annual institution of Reaction Excellence Awards honors individuals, companies and organisations offering to society and specifically to young people either in Greece or Cyprus.

Finally, the Group in an effort to support events that present key international sustainability issues, which are expected to affect companies and organisations in the short term, sponsored:

- the 2018 Sustainability Forum, which took place in Greece,
- the 16th Corporate Social Responsibility Conference organised by the Hellenic-American Chamber of Greece on "The World of a Better Tomorrow: Sustainability and the New Disruptive Era",
- the 5th CSR in Action Conference organised by Boussias Communications, and
- the 11th Corporate Social Responsibility Conference held in Cyprus.

Athens, 28 March 2019

THE CHAIRMAN  
OF THE BOARD OF DIRECTORS

VASILEIOS T. RAPANOS  
ID.No AI 666242



# Explanatory Report of the Board of Directors of Alpha Bank for the Year 2018

The present Explanatory Report of the Board of Directors of Alpha Bank (hereinafter the "Bank") to the Ordinary General Meeting of Shareholders of the Bank for the year 2018 contains detailed information, pursuant to the provision of article 4 par. 7 of Law 3556/2007, the reference date being 31.12.2018, in accordance with the order in which they are written in the provision in question.

In particular:

a. On 1.1.2018 the share capital of the Bank stood at the total amount of Euro 463,109,814.30 divided into 1,543,699,381 common, nominal, voting, paperless shares, of a nominal value of Euro 0.30 each. Out of the said common, nominal, voting, paperless shares, 1,374,525,214 have been subscribed by Private Investors and 169,174,167 have been issued by the Bank and have been subscribed by the Hellenic Financial Stability Fund, pursuant to Law 3864/2010, governed by virtue of the terms thereof. It is noted that until the end of the year 2018 (31.12.2018) no change occurred in the share capital of the Bank.

All shares are listed for trading on the Securities Market of the Athens Exchange.

The 1,374,525,214 shares that have been subscribed by Private Investors represent 89% of the total paid-in share capital of the Bank and embody all the rights and obligations provided for in the law and the Bank's Articles of Incorporation.

The 169,174,167 shares held by the Hellenic Financial Stability Fund represent 11% of the total paid-in share capital of the Bank; they have the rights stipulated by law and are subject to the restrictions of the law. With regard to these shares, it is noted that the Hellenic Financial Stability Fund:

- became a shareholder of the Bank within 2013, in the context of the recapitalisation of the Greek credit institutions, on the basis of Law 3864/2010, having, however, restricted voting rights at the General Meeting,

- has issued, in accordance with Law 3864/2010 and Cabinet Act No 38/2012, Warrants in order to offer the Bank-issued shares it undertook to Private Investors. These Warrants could be exercised within the time periods referred to in the relevant legislation and, until 31.12.2017, have either been fully exercised or automatically expired and have been cancelled by the Hellenic Financial Stability Fund.
  - may vote at the General Meeting only on resolutions pertaining to the amendment of the Articles of Incorporation, including the increase or reduction of the share capital or the grant of a relevant authorisation to the Board of Directors, the merger, split-up, conversion, revival, extension of the term of operation or winding-up of the Bank, the transfer of assets, including the sale of Group Companies or on any other item for which an enhanced majority is required in accordance with the stipulations of the law as in force.
  - also possesses all the other rights stipulated by Law 3864/2010, as each time in force.
- b. The Articles of Incorporation contain no restrictions on the transfer of Bank shares, save as otherwise provided for in the law.
- c. From the Bank's records, on 31.12.2018 there are no qualified, direct or indirect holdings within the meaning of Law 3556/2007, in its share capital, with the exception of the Hellenic Financial Stability Fund, which holds common shares representing 11% of the total paid-in share capital of the Bank.
- d. There are no shares issued by the Bank possessing special rights of control, with the exception of the common shares held by the Hellenic Financial Stability Fund in reference to the rights that the Hellenic Financial Stability Fund enjoys by virtue of Law 3864/2010.
- e. The Articles of Incorporation contain no restrictions on voting rights and on the deadlines for exercising the same on shares issued by the Bank, save the restrictions



foreseen in Law 3864/2010 with regard to the shares held by the Hellenic Financial Stability Fund.

- f. To the knowledge of the Bank, there are no shareholder agreements providing for restrictions on share transfers or restrictions on the exercise of voting rights on shares issued by the Bank, save as otherwise provided for in the provisions of the laws stipulating the rights of the Hellenic Financial Stability Fund.
- g. There are no rules in the Articles of Incorporation for the appointment and replacement of Members of the Board of Directors as well as for the amendment of the Articles of Incorporation of the Bank, which are at variance with the stipulations of the law as in force.
- h. The Bank may increase its share capital by virtue of a resolution of the General Meeting of Shareholders or of the Board of Directors, in accordance with the law and the Articles of Incorporation.

Additionally, for as long as the Hellenic Financial Stability Fund participates in the share capital of the Bank, the latter may not purchase its own shares without the former's approval.

The Bank does not hold any of its own shares.

- i. The Bank has entered into no major agreement, which comes into effect, is amended or expires upon a change of control of the Bank following a public tender offer.
- j. The Bank has entered into no agreement with Members of Board of Directors or Personell, providing for compensation upon their resignation or dismissal without just cause, or upon termination of tenure or employment, owing to a public tender offer, except in accordance with the provisions of law.



# Corporate Governance Statement for the year 2018

Pursuant to the provision of paragraph 1 of article 152 of Law 4548/2018 (article 43bb of Codified Law 2190/1920), the Annual Management Report of the Board of Directors of Alpha Bank (hereinafter the “Bank”) includes the Corporate Governance Statement for the year 2018. The reference date of the Corporate Governance Statement is 31.12.2018. The items c), d), f), h), i) of article 10 of Directive 2004/25/EC of the European Parliament and of the Council, as they are incorporated in items c), d), e), g), h) of article 4 par. 7 of Law 3556/2007, are analysed in the Explanatory Report of the Board of Directors to the General Meeting of Shareholders, which is included in the Annual Management Report of the Board of Directors.

## A. Corporate Governance Code and Practices

### 1. The Corporate Governance Code

The Bank operates within the framework of the Alpha Bank Corporate Governance Code, which is posted on the Bank’s website (<https://www.alpha.gr/en/group/corporate-governance>).

Effective Corporate Governance constitutes an expressed goal of the Bank, which is constantly pursued.

In particular, the Corporate Governance Code as well as the Corporate Governance practices which are implemented by the Bank are in accordance with the requirements of the relevant legislative, supervisory and regulatory framework, both of the European Union and of Greece, and with the international best practices in Corporate Governance. They aim at increasing the long-term economic value of the Bank, taking into consideration the interests of the Shareholders, those transacting with the Bank, the Employees and other Stakeholders. The Bank complies with the legislation requirements for corporate governance pertaining to listed companies, the special legislation of the Hellenic Financial Stability Fund and the provisions applied to credit institutions pursuant to European Union and Greek law as well as with the guidelines issued by the European Banking Authority, the

European Securities and Markets Authority and the European Central Bank on this thematic area.

The said practices are taken into account in Alpha Bank’s Corporate Governance Code, which sets the framework and guidelines for the governance of the Bank as well as in the policies and the procedures applied by the Bank pertaining to corporate governance issues, such as, indicatively, conflict of interests, related parties, remuneration, nomination of candidate Members of the Board of Directors and the operation of the Committees of the Board of Directors.

The Board of Directors is responsible for the revision of the Corporate Governance Code.

The Corporate Governance Code of Alpha Bank defines the duties and allocates responsibilities among the Board of Directors, its Committees, the Executive Committee and the other Committees of the Bank, regulates issues pertaining to the composition, the operation and the evaluation of the Board of Directors, the obligations of its Members, issues pertaining to the General Meeting of Shareholders as well as issues pertaining to the Internal Control System of the Bank. The principles on which the Corporate Governance Code is based correspond to four concepts:

- a. responsibility of the Bank’s leaders;
- b. accountability to the Board of Directors and the Bank’s Shareholders;
- c. fairness towards all of the Bank’s Stakeholders; and
- d. transparency in the relationship between the Bank’s leadership and the Board of Directors as well as the Bank and its Shareholders and Regulators.

The Corporate Governance Code of the Bank stipulates expressly the distinguished responsibilities of the Chair of the Board of Directors, the Vice Chair and the Managing Director - CEO.

The Bank complies with the Corporate Governance Code and provides explanations in case it deviates from the relevant provisions. The Bank did not deviate from the Corporate Governance Code in 2018.



Alpha Bank has always been implementing principles of Corporate Governance, enhancing transparency in communication with the Bank's Shareholders and keeping investors promptly and continuously informed. In this context, the Bank has adopted the following modifications, prior to their establishment as regulatory and legal requirements: the separation of the Chair's duties from those of the Managing Director - CEO and the establishment of the Audit Committee of the Board of Directors.

The Bank constantly enhances the corporate governance framework it applies by adopting practices and measures beyond those defined in the relevant legislation, such as a larger number of Non-Executive Independent Members of the Board of Directors, adopting additional independence criteria to be fulfilled by the Non-Executive Independent Members than those provided for in the relevant legislation, having a Non-Executive Chair of the Board of Directors, the establishment of monthly meetings of the Audit Committee of the Board of Directors and the Risk Management Committee of the Board of Directors as well as the establishment of joint meetings of the Audit Committee with the Risk Management Committee.

Furthermore, the Board of Directors examines periodically corporate governance issues and during 2018 it revised the Corporate Governance Code and the Charters of all Board of Directors' Committees in order for them to be fully aligned with the relevant regulatory framework and with the most recent best practices of corporate governance. Each Committee has been assigned with explicitly defined and distinct responsibilities.

## 2. Induction and Training Programmes for the Members of the Board of Directors

The Bank offers the new Members of the Board of Directors an induction programme on Legal and Regulatory requirements, Corporate Governance principles, Risk Management, Internal Audit, Compliance, Capital Adequacy, Financial and Accounting Services, Information Technology and Security, and Strategic Planning as well as the possibility for relevant information seminars and information meetings. Moreover, the Bank provides continuous informative sessions to the Members of the Board of Directors in order to update them on current issues of the banking market and on the regulatory developments in the financial sector. In particular, for the year 2018 all the Members of the Board of Directors have been offered informative sessions on the following subjects:

- Policy on Related Parties Transactions
- Non-Executive Directors Remuneration
- Legal framework for providing funding to companies that are felt to be near bankruptcy
- Single Resolution Mechanism (SRM)
- Ethics Committee

The Bank also provides its Board Members with the opportunity to participate in training and education sessions offered by external institutions. Upon request by any Member, the Bank may offer tailor-made programmes to further enhance the Members' knowledge and competences. One Member of the Board of Directors participated in such a session during 2018.

## 3. Composition and Function of the Board of Directors

The Board of Directors convenes every month or more often if necessary. The Articles of Incorporation of the Bank provide the Board of Directors with the option to meet by teleconference. The calendar of the meetings of the Board of Directors and its Committees for every year is set and notified at the end of the previous year. The Minutes of the meetings of the Board of Directors and its Committees are signed at the next regular meeting of the Board of Directors or of the relevant Committee.

The tenure of the Members of the Board of Directors is four years, while Codified Law 2190/1920 (as well as Law 4548/2018, in force as of 1 January 2019) stipulates up to six years.

The current Board of Directors was elected by the Ordinary General Meeting of Shareholders held on 29.6.2018. The Board's tenure ends at the Ordinary General Meeting of Shareholders which will take place in 2022.

Article 3 of Law 3016/2002 stipulates, inter alia, that the number of Non-Executive Members of the Board of Directors cannot be less than 1/3 of the total number of Members. Out of a total of thirteen (13) Members of the Board of Directors of the Bank, the number of Non-Executive Members amounts to eight (8), i.e. 62% of the total, thus exceeding by far the minimum number for such Members set by Law 3016/2002 (based on the composition of the Board of Directors at 31.12.2018).

In accordance with the above-mentioned article of Law 3016/2002, at least two (2) Non-Executive Members should also be Independent. In the Board of Directors of the Bank, the respective number exceeds, as in the case mentioned



above, the minimum requirement set by law and amounts to five (5), i.e. 38% of the total.

Lastly, it was ascertained that the Members comply with the stipulations of article 83 of Law 4261/2014 on the combination of directorships that Board Members may hold at the same time, that they do not have any personal or private interests, as defined in article 2 of Law 3016/2002 and that the Non-Executive Independent Members of the Board of Directors fulfil the conditions for being Independent, in accordance with Law 3016/2002 and the Corporate Governance Code.

At the annual Meeting of the Non-Executive Members of the Board of Directors, the Non-Executive Members recognised that the Board operations are conducted in an effective manner and that the Members of the Board of Directors contribute to very effective and productive Board meetings. During the meetings, the Members deliberate openly in an environment of trust and they feel free to express their views and the relevant arguments. The Non-Executive Members also evaluated the performance of the Executive Members and highlighted the contribution of each and every one of them to the accomplishment of satisfactory results during these highly volatile economic circumstances which the country is experiencing as well as their excellent cooperation with their Non-Executive peers.

The Board has established an attendance objective which stipulates that the Members should attend more than 85% of the Board of Directors meetings. The Corporate Governance and Nominations Committee deemed that there were no Member absences from Board meetings without a valid reason. The Members of the Board of Directors who were absent had informed the Bank in time of the relevant reasons.

During 2018, the following changes took place in relation to the composition of the Board of Directors, with an aim to elect persons who possess broad international experience in Banking, Audit, Risk and Non-Performing Loans management. Two (2) new Board Members, Mr J.-H.-F.G. Umbgrove (as representative of the Hellenic Financial Stability Fund) and Mr J. L. Cheval were elected, in accordance with the legislative and regulatory requirements, further enriching collective knowledge and performance. Within the same year, Mr Spyridon-Stavros A. Mavrogalos-Fotis (representative of the Hellenic Financial Stability Fund) and Mr Ibrahim S. Dabdoub departed the Board of Directors of the Bank.

On 29.6.2018, during the Ordinary General Meeting of Shareholders, Mr D.P. Mantzounis, Managing Director - CEO of the Bank, announced his intention to initiate his succession. On 29.11.2018, following a thorough search conducted by Egon Zehnder (a recruitment firm) and in accordance with the Policy for the Succession Planning of Senior Executives and Key Function Holders, the Board of Directors unanimously elected Mr V.E. Psaltis as a Member of the Board of Directors and new CEO to assume his duties on 2.1.2019.

The Board of Directors, in accordance with the Corporate Governance Code and the Policy for the Annual Evaluation of the Alpha Bank Board of Directors it has adopted, assesses on an annual basis its effectiveness as well as that of its Committees. Every three years, the Board of Directors may appoint an external consultant to conduct these assessments.

The overall evaluation of the Board of Directors and its Committees, for the year 2017, was conducted by Nestor Advisors, a London-based corporate governance consulting firm, with the assistance of the Corporate Governance and Nominations Committee. The Individual Evaluation of the Members of the Board of Directors was conducted by the Chair of the Board of Directors.

The Corporate Governance and Nominations Committee ascertained that the current composition of all the Committees of the Board of Directors, namely the Audit Committee, the Risk Management Committee, the Remuneration Committee and the Corporate Governance and Nominations Committee, meets the requirements of the regulatory framework, is consistent with the principles of Corporate Governance of the Bank and contributes to the effective and smooth operation of the Committees and the Bank.

It also ascertained that the Members of the Board of Directors represent different business sectors as well as different geographical areas and are acknowledged for their character, integrity, ability of leadership, management, thought and constructive collective operation in a team environment as well as for their financial knowledge and other professional and business experience. The level of experience and knowledge of all the Members of the Board of Directors and its Committees was evaluated by the Board of Directors as very high, while their work was evaluated as extremely effective.





#### 4. Communication with Shareholders

In order to enhance the active participation of the Shareholders in the General Meetings and the genuine interest in issues relating to its operation, the Bank develops procedures of active communication with its Shareholders and establishes the appropriate conditions so that the policies and strategies adopted are based on the constructive exchange of views with them.

Within 2018, a roadshow took place, aiming to inform investors on matters of Corporate Governance of the Bank. In addition, the Bank enhances its relations with proxy advisors and institutional investors who focus on corporate governance, providing them, where necessary, with further information so as to facilitate their decision-making process on corporate governance matters of the Bank in view of the Annual Ordinary General Meeting of Shareholders.

In order to ensure the reliable, secure and broad dissemination of institutional information to its Shareholders, the Bank declares the “Officially Appointed Mechanism for the Central Storage of Regulated Information” of the Hellenic Exchanges S.A. (HELEX), which is currently managed by the Athens Exchange and operates through the “HERMES” communication system, in accordance with the Athens Exchange Rulebook ([www.helex.gr](http://www.helex.gr)), as the means of disclosure of regulated information and information provided by law to its Shareholders before the General Meeting. Through this disclosure, the prompt and non-discriminatory access to the relevant information is made available to the general public and particularly to the Shareholders, given that the above System, as recognised by law, is considered reliable for the effective dissemination of information to the investing public and meets the national and European range requirements of the law.

#### 5. Other issues

The Bank, in accordance with the best practices of corporate governance, and aiming to further enhance the collaboration within the Group, has launched a series of meetings between the Members of the Board of Directors of the Bank and representatives of the Group Companies. In this context, in 2018 the Board of Directors and Bank Executives visited Alpha Bank Romania S.A. Alpha Bank’s Board Members had joint meetings with their counterparts from Alpha Bank Romania S.A., including joint Committee meetings. Important issues of mutual interest were discussed and the necessary guidance was provided.

The Bank conducted a review of all the Corporate

Governance documents used by Group Companies.

Following a thorough gap analysis, the Group Companies’ Corporate Governance Codes and the Charters of the Board of Directors’ Committees were fully aligned with legal and regulatory requirements, EBA guidelines as well as with Alpha Bank’s corporate governance practices.

Additionally, the Bank has adopted a Code of Ethics for the performance of duties with the purpose to implement the standards required by modern corporate governance and effective Internal Audit. Specifically, the Code describes the commitments and the practices of the Bank regarding its activities, the management, the rules of conduct of Executives and Employees towards each other, but also towards those transacting with the Bank and towards the Shareholders. The said Code, as in force, is posted on the Bank’s website (<https://www.alpha.gr/en/group/corporate-governance/code-of-ethics>).

### B. Internal Control and Risk Management System

#### 1. Internal Control System

The Internal Control System, on which the Bank places great emphasis, comprises auditing mechanisms and procedures, relating to all the activities of the Bank, aiming at its effective and secure operation.

The Internal Control System is designed to ensure:

- the consistent implementation of the business strategy with an effective utilisation of the available resources,
- the identification and management of all risks undertaken,
- the completeness and the reliability of the data and information required for the accurate and timely determination of the financial situation of the Bank and the generation of reliable financial statements,
- the compliance with the current regulatory framework, the internal regulations, the rules of ethics,
- the prevention and avoidance of erroneous actions that could jeopardise the reputation and interests of the Bank, the Shareholders and those transacting with it,
- the effective operation of the IT systems in order to support the business strategy and the secure circulation, processing and storage of critical business information.

The Bank has established an Audit Committee, which is responsible for the monitoring of financial reporting processes, the effective operation of the internal control and risk management systems as well as for the supervision and



monitoring of the regular audit and of the issues pertaining to the objectivity and independency of the Statutory Certified Auditors. The Audit Committee cooperates with the Risk Management Committee regarding the oversight of certain key areas of risk and capital management and their repercussions on the Internal Control System. The specific duties and responsibilities of the Audit Committee are determined in its Charter which was amended in October 2018 and is posted on the Bank's website (<https://www.alpha.gr/en/group/corporate-governance/committees>).

The evaluation of the adequacy and effectiveness of the Internal Control System of the Bank is conducted:

- a) On a continuous basis by the Internal Audit Division of the Bank through audits effected as well as by the Compliance Division with respect to the observance of the regulatory framework.

The audit plan of the Internal Audit Division is based on the prioritisation of the audited areas, by identifying and assessing the risks and the special factors associated with them. In addition, any instructions or decisions of the Management of the Bank, along with regulatory framework requirements and extraordinary developments in the overall economic environment are taken into account.

The Audit Committee of the Board of Directors approves the audit plan and is updated at least every quarter on the implementation thereof, the main conclusions of the audits and the implementation of the audit recommendations as well as on the compliance with the regulatory framework.

- b) On an annual basis by the Audit Committee of the Board of Directors, on the basis of the relevant data and information from the Internal Audit Division, the findings and observations from the External Auditors as well as from the Regulatory Authorities.

In 2018, the Audit Committee evaluated the Internal Control System of the Bank for 2017.

- c) Every three years by External Auditors, other than the regular ones. These are highly experienced individuals in the field of internal audit (external auditors or special advisors), who are independent of the Group.

The Audit Committee determines the criteria and the selection procedures for external auditors by submitting a relevant recommendation to the Board of Directors, which should include at least two possible choices for the audit engagement and a duly justified preference for one of them, in accordance with article 16 of Regulation (EU) No 537/2014 of the European Parliament and the Council of the European

Union of 16 April 2014.

Furthermore, the Audit Committee approves the range and the contents of the audit activities, through the monitoring of the statutory audit of the annual and consolidated financial statements and especially its performance, taking into account any findings and conclusions of the competent authority, in accordance with par. 6 article 26 of Regulation (EU) No 537/2014.

The Bank has in place Policies and Procedures for the preparation of the financial statements and the recognition of financial events, in accordance with the current legislation and the accounting standards in force, as defined in the International Financial Reporting Standards (IFRS), that have been adopted by the European Union, pursuant to Regulation (EC) No 1606/2002 of the European Parliament and the Council of the European Union of 19 July 2002.

The accounting system of the Bank and the Group is supported by specialised IT systems which have been adapted to the business requirements of the Bank and the requirements of the accounting standards.

Audit and accounting reconciliation procedures have been established in order to ensure the correctness and the legitimacy of the entries in the accounting books as well as the completeness and validity of the financial statements.

Furthermore, in order to ensure the independence of the regular audit of the financial statements of the Group, the Board of Directors applies specific policies and procedures in order to formulate a recommendation for the General Meeting with regard to the election of a regular auditor.

The Audit Committee of the Board of Directors supervises and assesses the drafting procedures for the interim and the annual financial statements of the Bank, in accordance with the current audit standards, and studies the reports of the External Auditors as regards deviations from the current accounting practices, informing accordingly the Board of Directors about the statutory audit's result, its contribution to the integrity of the financial reporting as well as the Audit Committee's role in the said process. Finally, the Audit Committee reviews and monitors the independence of statutory auditors, in accordance with the laws in force, and, in particular, as to the provision of non-audit services to the Bank and the Group.

## 2. Risk Management

The Bank places great emphasis on the identification, measurement and monitoring of the risks undertaken



and, to this end, it has assigned these tasks to the Risk Management Business Unit. The Risk Management Business Unit reports to the General Manager - Chief Risk Officer of the Group, to the Risk Management Committee and (through the latter) to the Board of Directors of the Bank.

The effective management of all types of risk relies on accurate and efficient measurement using specialised methods and calculation models, and on the adoption of policies and limits through which the Bank's exposure to various risks is monitored. These methodologies allow for consistent risk management by all the operational Units of the Bank as well as by the Management Committees that have been established as described below.

The Operational Risk Committee convenes quarterly or whenever deemed necessary depending on the circumstances and ensures that the appropriate processes, methodologies and infrastructure to manage the operational risk of the Group exist, while approving recommendations to limit operational risk.

The Credit Risk Committee convenes monthly, assesses the adequacy and the efficiency of the credit risk management policy and procedures of the Bank and the Group and resolves on the planning of the required corrective actions.

The Troubled Assets Committee (TAC) convenes monthly and examines issues related to the portfolios managed by the Non-Performing Loans Divisions under the supervision of the Deputy CEO, Non-Performing Loans and Treasury Management, in order to achieve the operational goals of the Bank and the Group, pertaining to which it may propose further decision-making to the Credit Risk Committee and subsequently to the Board of Directors for the final approval, through the Risk Management Committee of the Board of Directors.

The Assets-Liabilities Management Committee (ALCo) convenes quarterly, examines issues related to Treasury and Balance Sheet Management and the overall financial volumes of the Bank and the Group and resolves on them, approving the respective actions and policies.

The Bank has fully complied with the provisions of the institutional framework with respect to its troubled assets. The Risk Management Committee, a Committee of the Board of Directors as described below, provides oversight over all the areas of Risk Management of the Bank.

The Audit Committee and the Risk Management Committee review in a joint session every quarter the financial statements of the Bank and the Group, compiled in accordance with the International Financial Reporting Standards (IFRS), and propose to the Board of Directors the approval thereof. Moreover, they review operational risk issues.

## **C. General Meeting of Shareholders, Board of Directors and Committees of the Board of Directors**

### **1. General Meeting of Shareholders**

The General Meeting of Shareholders is the highest governing body of the Bank and resolves on all corporate matters, apart from those that fall within the exclusive jurisdiction of the Board of Directors, unless the latter resolves, on a particular item of its agenda, to relegate it to the General Meeting. Its resolutions shall be binding upon all the Shareholders, including those absent or dissenting.

The General Meeting of Shareholders, unless otherwise foreseen by law and the Articles of Incorporation, is vested with exclusive authority to resolve on the following matters:

- (a) amend the Articles of Incorporation, including the resolutions to increase or to reduce the share capital;
- (b) elect Members to the Board of Directors and award the status of Independent Member of the Board of Directors, as well as appoint Members to the Audit Committee;
- (c) appoint regular auditors and determine their remuneration;
- (d) approve and reform the Annual Financial Statements and determine the distribution of the annual profits of the Bank;
- (e) issue bond loans pursuant to articles 8 (without prejudice to article 3a par. 1 section b of Codified Law 2190/1920) and 9 of Law 3156/2003;
- (f) merge, split-up, convert, revive, extend the term of operation or wind-up the Bank;
- (g) change the nationality of the Bank;
- (h) appoint liquidators; and
- (i) resolve on any other issues stipulated by law.

### **2. Board of Directors**

The Board of Directors is responsible for the general administration and management of corporate affairs as well as for the representation of the Bank in all its relations and resolves on all issues concerning the Bank. It performs any



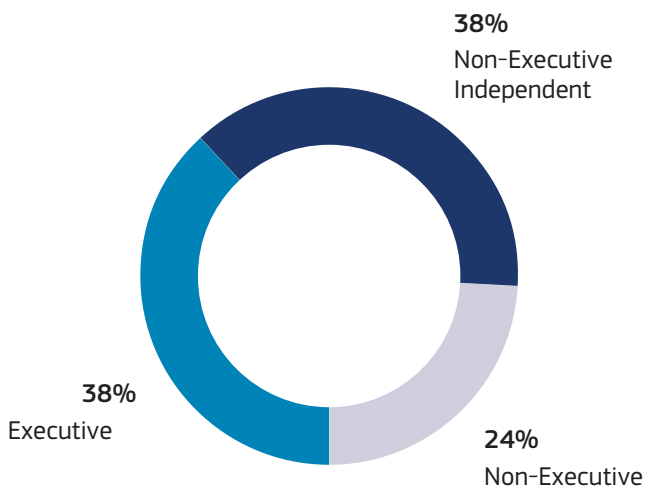
action for which the relevant authority is bestowed upon it, apart from those actions for which the General Meeting of Shareholders is the sole competent authority.

The primary concern of the Board of Directors, while exercising its powers, is to promote the interests of the Bank, the Shareholders and its Employees as well as of other interested parties (as the case may be). The Board of Directors monitors the compliance and adherence to the provisions of the law within the framework of the corporate interest as well as the compliance to procedures of reliable and timely information and communication.

Pursuant to the Presubscription Agreement of 28 May 2012, the Hellenic Financial Stability Fund is represented in the Board of Directors of the Bank. The representative of the Hellenic Financial Stability Fund is also a Member of the Audit Committee, the Risk Management Committee, the Remuneration Committee and the Corporate Governance and Nominations Committee of the Board of Directors.

The Board of Directors convenes at least on a monthly basis. In 2018, it convened 18 times. The average participation rate of the Members of the Board of Directors in the meetings stood at 93% (based on the composition of the Board of Directors at 31.12.2018).

### Board of Directors Composition



(Based on the composition of the Board of Directors at 31.12.2018)

### 3. Committees of the Board of Directors

The Board of Directors may establish permanent or temporary Committees to assist in the discharge of its responsibilities,

facilitate its operations and effectively support its decision-making. The Committees have an advisory role but may also assume delegated authorities, as determined by the Board. Each Committee has its dedicated Charter prescribing its composition, tenure, functioning and responsibilities.

The Members of the Committees are appointed by the Board of Directors, following recommendations by the Corporate Governance and Nominations Committee. The Committees consist of Non-Executive Members. They may be assisted in their work by other persons, including external advisors.

The main mission of the Committees consists in the examination of issues within their mandate, in the preparation of draft resolutions to be approved by the Board of Directors and in the submission of relevant briefings, reports, key information and recommendations to the Board. The Committees report regularly to the Board of Directors about their work.

#### Audit Committee

Chair:	Carolyn G. Dittmeier
Frequency:	At least once every month
Number of meetings in 2018:	13
Average participation rate of the Members:	96% (based on the Committee's composition at 31.12.2018)

The main responsibilities of the Audit Committee include but are not limited to those presented below.

The Audit Committee:

- Monitors and assesses, on an annual basis, the adequacy, effectiveness and efficiency of the Internal Control System of the Bank and the Group.
- Supervises and assesses the procedures for drawing up the annual and interim Financial Statements of the Bank and of the Group.
- Reviews the Financial Statements of the Bank and of the Group, together with the Statutory Auditors' Report prior to their submission to the Board of Directors.
- Ensures the independent and unprejudiced conducting of internal and external audits in the Bank.
- Assesses the performance and effectiveness of the Internal Audit and Compliance Divisions of the Bank and the Group.
- Meets with the Statutory Certified Auditors of the Bank on a regular basis.
- Is responsible for the selection of the Statutory Certified

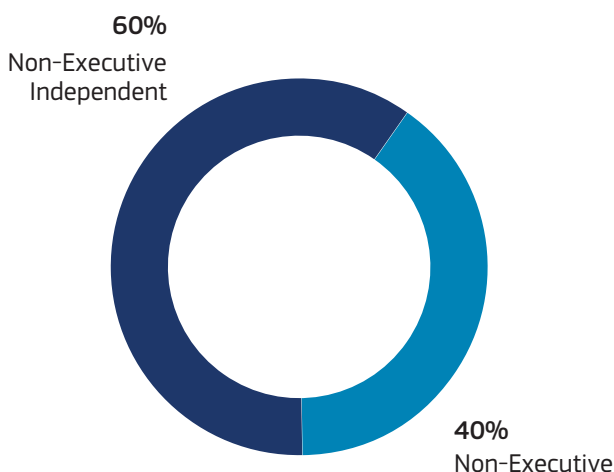


Auditors of the Bank and makes recommendations to the Board of Directors on the appointment or dismissal, rotation, tenure and remuneration of the Statutory Certified Auditors, according to the relevant regulatory and legal provisions.

- Ensures the independence of the Statutory Certified Auditors in accordance with the applicable laws, by monitoring, inter alia, the provision by them of Non-Audit Services to the Bank and the Group. In relation to this, the Committee pre-approves proposals regarding the provision by the Statutory Certified Auditor of Non-Audit Services to the Bank and the Group, based on the relevant Bank policy that the Audit Committee oversees and recommends to the Board of Directors for approval.

The specific duties and responsibilities of the Audit Committee are determined in its Charter, which was amended in October 2018 and is posted on the Bank's website (<https://www.alpha.gr/en/group/corporate-governance/committees>).

### Audit Committee Composition



(Based on the composition of the Audit Committee at 31.12.2018)

### Risk Management Committee

Chair:	Jan A. Vanhevel
Frequency:	At least once every month
Number of meetings in 2018:	15
Average participation rate of the Members:	95% (based on the Committee's composition at 31.12.2018)

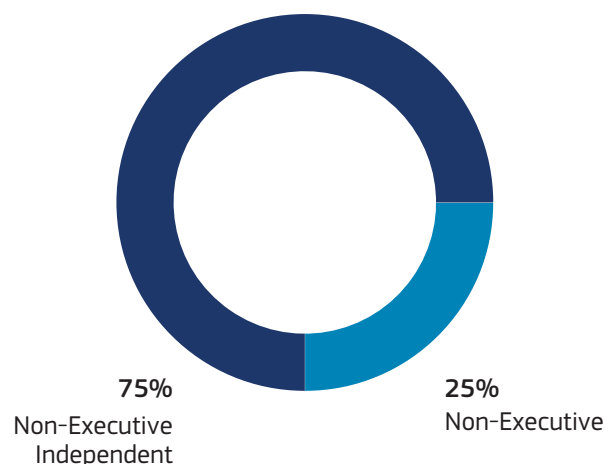
The main responsibilities of the Risk Management Committee include but are not limited to those presented below.

The Risk Management Committee:

- Reviews and recommends to the Board of Directors for approval the risk and capital management strategy.
- Reviews and recommends annually to the Board of Directors for approval the Group's risk appetite framework and statement.
- Determines the principles which govern risk management across the Bank and the Group in terms of the identification, measurement, monitoring, control, and mitigation of risks.
- Evaluates on an annual basis or more frequently, if necessary, the appropriateness of risk identification and measurement systems, methodologies and models, including the support of the Bank's IT infrastructure.
- Reviews regularly, at least annually, the Group's ICAAP/ ILAAP and related target ratios and recommends their approval to the Board of Directors.
- Assesses the overall effectiveness of capital planning, allocation processes and systems, and the allocation of capital requirements to risk types.
- Reviews the risk management and the NPE/NPL policy and procedures of the Bank and the Group.

The specific duties and responsibilities of the Risk Management Committee are determined in its Charter, which was amended in October 2018 and is posted on the Bank's website (<https://www.alpha.gr/en/group/corporate-governance/committees>).

### Risk Management Committee Composition



(Based on the composition of the Risk Management Committee at 31.12.2018)



### Joint Meeting of the Audit and Risk Management Committees

Frequency:	Once every quarter
Number of meetings in 2018:	4
Average participation rate of the Members:	100%

#### Responsibilities:

- Review of the progress of the International Financial Reporting Standard (IFRS) 9 implementation project as well as of Cyber Risk issues
- Review of quarterly financial results
- Review of Operational Risk issues

### Remuneration Committee

Chair:	Richard R. Gildea
Frequency:	At least twice a year
Number of meetings in 2018:	12
Average participation rate of the Members:	95% (based on the Committee's composition at 31.12.2018)

The main responsibilities of the Remuneration Committee include but are not limited to those presented below.

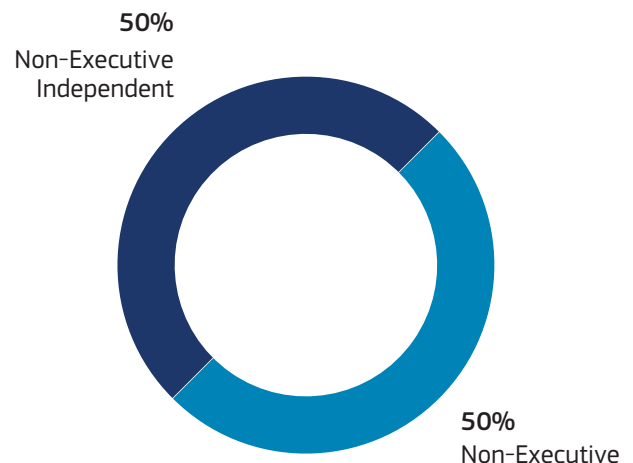
#### The Remuneration Committee:

- Ensures that the Bank has a remuneration philosophy and practice that is market-based, equitable and focused on sound performance evaluation-based criteria.
- Formulates the Remuneration Policy for the Bank and the Group as well as for the Members of the Boards of Directors across the Group and makes recommendations to the Board of Directors of the Bank for approval thereof.
- On an annual basis, reviews and reports findings on remuneration data from the Bank and the Group to the Board of Directors, with a view to monitoring the consistent application of the Remuneration Policy, assessing alignment with corporate goals and ensuring the alignment of remuneration practices with the risk profile.
- Assesses the mechanisms and systems adopted to ensure that the remuneration system properly takes into account all types of risks, liquidity and capital levels and that the overall Remuneration Policy is consistent with and promotes sound and effective risk management and is in line with the business strategy, objectives, corporate culture, values and long-term interest of the Bank.

- Oversees the implementation and use of sound evaluation processes within the entire Bank.

The specific duties and responsibilities of the Remuneration Committee are determined in its Charter, which was amended in October 2018 and is posted on the Bank's website (<https://www.alpha.gr/en/group/corporate-governance/committees>).

### Remuneration Committee Composition



(Based on the composition of the Remuneration Committee at 31.12.2018)

### Corporate Governance and Nominations Committee

Chair:	Shahzad A. Shahbaz
Frequency:	At least twice a year
Number of meetings in 2018:	12
Average participation rate of the Members:	100% (based on the Committee's composition at 31.12.2018)

The main responsibilities of the Corporate Governance and Nominations Committee include but are not limited to those presented below.

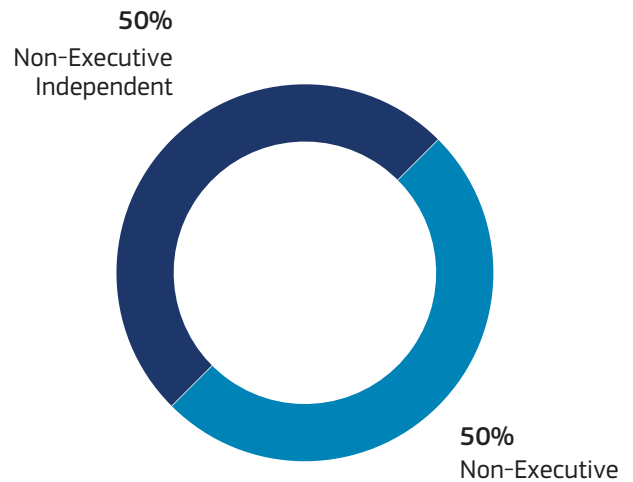
#### The Corporate Governance and Nominations Committee:

- Ensures that the corporate governance principles of the Bank and the Group, as embedded in the Corporate Governance Code of the Bank, as well as the implementation of these principles reflect the legislation in force, regulatory expectations and international corporate governance best practices.
- Regularly reviews the Corporate Governance Code of the Bank and makes appropriate recommendations to the Board of Directors on its update.

- Facilitates the regular review of the Charters of Board Committees, in consultation with the relevant Committees, by providing input to each Committee in order to ensure that the Charters remain fit-for-purpose and align with the Bank's Corporate Governance Code as well as with corporate governance best practices.
- Develops and regularly reviews the selection criteria and appointment process for the Members of the Board of Directors.
- Identifies and proposes candidates suitable for appointment or re-appointment in vacant positions in the Board of Directors and its Committees.
- Assesses, at least annually, the structure, size, and composition of the Board of Directors, after considering relevant findings of the annual evaluation of the Board of Directors, in order to ensure that these are fit-for-purpose.
- Initiates and oversees the conduct of the annual evaluation of the Board of Directors in accordance with the Policy for the Annual Evaluation of the Alpha Bank Board of Directors and submits the relevant findings and recommendations to the Board of Directors.
- Oversees the design and implementation of the induction programme for the new Members of the Board of Directors as well as the ongoing knowledge and skills development for Members that support the effective discharge of their responsibilities.
- Formulates the Suitability and Nomination Policy for the Members of the Board of Directors and Key Function Holders, the Policy for the Succession Planning of Senior Executives and Key Function Holders and the Policy for the Evaluation of Senior Executives and Key Function Holders.
- Establishes the conditions required for securing smooth succession and continuity in the Board of Directors.

The specific duties and responsibilities of the Corporate Governance and Nominations Committee are determined in its Charter, which was amended in October 2018 and is posted on the Bank's website (<https://www.alpha.gr/en/group/corporate-governance/committees>).

### Corporate Governance and Nominations Committee Composition



(Based on the composition of the Corporate Governance and Nominations Committee at 31.12.2018)

#### Non-executive Members Meeting

Frequency:	At least once a year
Number of meetings in 2018:	3
Average participation rate of the Members:	100%

#### Responsibilities:

- Exchanging views on any matter that they deem pertinent.
- Reviewing potential issues of conflict of interests between the Bank and the Executive Members of the Board of Directors.
- Assessing the overall performance of the Bank's executive leadership team.
- Verifying that the Board and its Committees have developed effective procedures.
- Reviewing the general principles of the Remuneration Policy periodically and monitoring their implementation.

**D. Composition of the Board of Directors and the Board of Directors' Committees for the year 2018**

	Board of Directors	Audit Committee	Risk Management Committee	Remuneration Committee	Corporate Governance and Nominations Committee
<b>Number of meetings in 2018</b>	18	13	15	12	12
<b>Frequency</b>	At least once a month	At least once a month	At least once a month	At least twice a year	At least twice a year
<b>Tenure</b>	4 years	2 years	2 years	2 years	2 years
<b>Chair (Non-Executive Member)</b>					
Vasileios T. Rapanos					
<b>EXECUTIVE MEMBERS</b>					
Demetrios P. Mantzounis	Managing Director - CEO				
Spyros N. Filaretos	Deputy CEO				
Artemios Ch. Theodoridis	Deputy CEO				
George C. Aronis	Deputy CEO				
Vassilios E. Psaltis	General Manager - CFO Member of the BoD as of 29.11.2018				
<b>Non-Executive Members</b>					
Efthimios O. Vidalis					
<b>Non-Executive Independent Members</b>					
Jean L. Cheval	(as of 29.6.2018)	M (as of 29.6.2018)		M (as of 29.6.2018)	M (as of 29.6.2018)
Ibrahim S. Dabdoub	(until 30.8.2018)			C (until 25.1.2018) M (from 25.1.2018 until 30.8.2018)	M (until 30.8.2018)
Carolyn G. Dittmeier		C	M		
Richard R. Gildea			M	M (until 25.1.2018) C (as of 25.1.2018)	
Shahzad A. Shahbaz					C
Jan A. Vanhevel		M	C		
<b>NON-EXECUTIVE MEMBER</b> (pursuant to the provisions of Law 3864/2010)					
Spyridon-Stavros A. Mavrogalos-Fotis	(until 26.4.2018)	M (until 26.4.2018)	M (until 26.4.2018)	M (until 26.4.2018)	M (until 26.4.2018)
Johannes Herman Frederik G. Umbgrove	(as of 26.4.2018)	M (as of 26.4.2018)	M (as of 26.4.2018)	M (as of 26.4.2018)	M (as of 26.4.2018)

C: Chair, M: Member





## CVs of the Members of the Board of Directors

### CHAIR

#### **Vasileios T. Rapanos** (Non-Executive Member)

He was born in Kos in 1947. He is Professor Emeritus at the Faculty of Economics of the University of Athens and he has been an Ordinary Member of the Academy of Athens since 2016. He studied Business Administration at the Athens School of Economics and Business (1975) and holds a Master's in Economics from Lakehead University, Canada (1977) and a PhD from Queen's University, Canada. He was Deputy Governor and Governor of the Mortgage Bank (1995-1998), Chairman of the Board of Directors of the Hellenic Telecommunications Organization (1998-2000), Chairman of the Council of Economic Advisors at the Ministry of Economy and Finance (2000-2004), and Chairman of the Board of Directors of the National Bank of Greece and the Hellenic Bank Association (2009-2012). He has been the Chair of the Board of Directors of the Bank since May 2014.

### EXECUTIVE MEMBERS

#### MANAGING DIRECTOR-CEO

##### **Demetrios P. Mantzounis**

He was born in Athens in 1947. He studied Political Sciences at the University of Aix-Marseille. He joined the Bank in 1973. In 2002 he was appointed General Manager and from 2005 to 2018 he served as Managing Director. Based on the annual international survey conducted by Extel, he was voted among the 20 best CEOs of European banks at a Pan-European level in 2014, 2016 and 2018. Moreover, based on the same survey, he was voted Best CEO in Greece in 2014 and in 2016 and Second Best CEO in Greece in 2018. He has been a member of the Board of Directors of the Bank since 1995.

#### DEPUTY CEOs

##### **Spyros N. Filaretos**

He was born in Athens in 1958. He studied Economics at the University of Manchester and at the University of Sussex. He joined the Bank in 1985. He was appointed Executive General Manager in 1997 and General Manager in 2005. In October 2009 he was appointed Chief Operating Officer (COO) and in March 2017 Deputy CEO

- Chief Operating Officer. He has been a Member of the Board of Directors of the Bank since 2005.

##### **Artemios Ch. Theodoridis**

He was born in Athens in 1959. He studied Economics and holds an MBA from the University of Chicago. He joined the Bank as Executive General Manager in 2002. In 2005 he was appointed General Manager and in March 2017 Deputy CEO, Non-Performing Loans and Treasury Management. He has been a Member of the Board of Directors of the Bank since 2005.

##### **George C. Aronis**

He was born in Athens in 1957. He studied Economics and holds an MBA, major in Finance, from the Athens Laboratory of Business Administration (ALBA). He has worked for multinational banks for 15 years, mostly at ABN AMRO BANK in Greece and abroad. He joined Alpha Bank in 2004 as Retail Banking Manager. In 2006 he was appointed Executive General Manager, in 2008 General Manager and in March 2017 Deputy CEO, Retail, Wholesale Banking and International Network. He has been a Member of the Board of Directors of the Bank since 2011.

#### GENERAL MANAGER - CFO (until 2.1.2019)

##### **Vassilios E. Psaltis** (Member of the Board of Directors as of 29.11.2018 and CEO as of 2.1.2019)

He was born in Athens in 1968 and holds a PhD and an MBA from the University of St. Gallen in Switzerland. He has worked as Deputy (acting) Chief Financial Officer at Emporiki Bank and at ABN AMRO Bank's Financial Institutions Group in London. He joined Alpha Bank in 2007. In 2010 he was appointed Group Chief Financial Officer (CFO) and in 2012 he was appointed General Manager. Through these posts, he spearheaded capital raisings of several billions from foreign institutional shareholders, diversifying the Bank's shareholder base, as well as significant mergers and acquisitions that contributed to the consolidation of the Greek banking market, reinforcing the position of the Bank. He was voted seventh best CFO among European banks (2014 and 2018) by institutional investors and analysts in the Extel international survey. He has been a Member of the Board of Directors of the Bank since November 2018 and Chief Executive Officer since January 2019.



## NON-EXECUTIVE MEMBERS

### **Efthimios O. Vidalis**

He was born in 1954. He holds a BA in Government from Harvard University and an MBA from the Harvard Graduate School of Business Administration. He worked at Owens Corning (1981-1998), where he served as President of the Global Composites and Insulation Business Units. Furthermore, he was Chief Operating Officer (1998-2001) and Chief Executive Officer (2001-2011) of the S&B Industrial Minerals Group, where he served on the Board of Directors for 15 years. He is a non-executive member of the Board of Directors of TITAN CEMENT COMPANY S.A. and of Future Pipe Industries. He was a member of the Board of Directors of the Hellenic Federation of Enterprises (SEV) from 2006 to 2016 as well as founder and Chairman of the SEV Business Council for Sustainable Development from 2008 to 2016. He has been a Member of the Board of Directors of the Bank since May 2014.

## NON-EXECUTIVE INDEPENDENT MEMBERS

### **Jean L. Cheval (as of 29.6.2018)**

He was born in Vannes, France in 1949. He studied Engineering at the École Centrale des Arts et Manufactures, while he holds a DES (Diplôme d'Études Spécialisées) in Economics (1974) from the University of Paris I. After starting his career at BIPE (Bureau d'Information et de Prévisions Économiques), he served in the French public sector (1978-1983) and then worked at BANQUE INDOSUEZ-CRÉDIT AGRICOLE INDOSUEZ (1983-2001), wherein he held various senior management positions. He served as CEO and then as Chairman of the Banque Audi France (2002-2005), while he was Head of France at the Bank of Scotland (2005-2009). As of 2009 he has been working at Natixis in various senior management positions. He is currently a member of the Board of Directors of HIME-SAUR, France and of EFG-Hermès, Egypt. He has been a member of the Board of Directors of the Bank since June 2018.

### **Ibrahim S. Dabdoub (until 30.8.2018)**

He was born in 1939. He studied at the Collège des Frères in Bethlehem, at the Middle East Technical University in Ankara, Turkey and at Stanford University, California, U.S.A. He was the Group Chief Executive Officer of the National Bank of Kuwait from 1983 until March 2014. He is Vice Chairman of the International Bank of Qatar (IBQ), Doha and a member of the Board of Directors of the International

Institute of Finance (IIF) as well as Co-Chair of the Emerging Markets Advisory Council (EMAC), Washington D.C. He is also a member of the Bretton Woods Committee, Washington D.C. and of the International Monetary Conference (IMC). Furthermore, he is a member of the Board of Directors of the Central Bank of Jordan, Amman, of the Board of Directors of the Consolidated Contractors Company, Athens, and of the Board of Advisors of Perella Weinberg, New York. In 1995, he was awarded the title of "Banker of the Year" by the Arab Bankers Association of North America (ABANA) and in 1997 the Union of Arab Banks named him "Arab Banker of the Year". In 2008 and 2010 he was given a "Lifetime Achievement Award" by "The Banker" and "MEED" respectively. He was a Member of the Board of Directors of the Bank from May 2014 until August 2018.

### **Carolyn G. Dittmeier**

She was born in 1956. She holds a BSc in Economics from the Wharton School of the University of Pennsylvania (1978). She is a statutory auditor, a certified public accountant, a certified internal auditor and a certified risk management assurance professional. She focused her career on the auditing sector, taking on the role of Chief Internal Audit Executive of the Poste Italiane Group between 2002 and 2014. Previously, she had gained professional experience with the auditing firm KPMG and the Montedison Group as both financial controller and later Head of Internal Audit. She has carried out various professional and academic activities focusing on risk and control governance. She was Vice Chair of the Institute of Internal Auditors (IIA) from 2013 to 2014 (director since 2007), Chair of the European Confederation of Institutes of Internal Auditing-ECIIA (2011-2012) and of the Italian Association of Internal Auditors (2004-2010). Furthermore, she served as Independent Director and Chair of the Risk and Control Committee of Autogrill SpA, as well as Independent Director and Chair of the Risk and Control Committee of Italmobiliare SpA. She is currently President of the Statutory Audit Committee of Assicurazioni Generali SpA. She has been a Member of the Board of Directors of the Bank since January 2017.

### **Richard R. Gildea**

He was born in 1952. He holds a BA in History from the University of Massachusetts (1974) and an MA in International Economics, European Affairs from The Johns Hopkins University School of Advanced International Studies (1984). He served in JP Morgan Chase from 1986 to 2015, wherein he held various senior management positions



throughout his career. He was Emerging Markets Regional Manager for the Central and Eastern Europe Corporate Finance Group, London (1993-1997) and Head of Europe, Middle East and Africa (EMEA) Restructuring, London (1997-2003), as well as Senior Credit Officer in EMEA Emerging Markets, London (2003-2007). From 2007 to 2015 he was Senior Credit Officer for JP Morgan's Investment Bank Corporate Credit in EMEA Developed Markets, London and was appointed Senior Risk Representative to senior committees within the Investment Bank. He is currently a member of the Board of Advisors at The Johns Hopkins University School of Advanced International Studies, Washington D.C., as well as a member of Chatham House (the Royal Institute of International Affairs), London and of the International Institute of Strategic Studies, London. He has been a Member of the Board of Directors of the Bank since July 2016.

#### **Shahzad A. Shahbaz**

He was born in 1960. He holds a BA in Economics from Oberlin College, Ohio, U.S.A. He has worked at various banks and investments firms, since 1981, including the Bank of America (1981-2006), from which he left as Regional Head (Corporate and Investment Banking, Continental Europe, Emerging Europe, Middle East and Africa). He served as Chief Executive Officer (CEO) of NDB Investment Bank/Emirates NBD Investment Bank (2006-2008) and of QInvest (2008-2012). He is currently the Investment Advisor at Al Mirqab Holding Co. He has been a member of the Board of Directors of the Bank since May 2014.

#### **Jan A. Vanhevel**

He was born in 1948. He studied Law at the University of Leuven (1971), Financial Management at Vlekhoe (Flemish School of Higher Education in Economics), Brussels (1978) and Advanced Management at INSEAD (The Business School for the World), Fontainebleau. He joined Kredietbank in 1971, which became KBC Bank and Insurance Holding Company in 1998. He acquired a Senior Management position in 1991 and joined the Executive Committee in 1996. In 2003 he was in charge of the non-Central European branches and subsidiaries, while in 2005 he became responsible for the KBC subsidiaries in Central Europe and Russia. In 2009 he was appointed CEO and implemented the Restructuring Plan of the group

until 2012, when he retired. From 2008 to 2011 he was President of the Fédération belge du secteur financier (Belgian Financial Sector Federation) and a member of the Verbond van Belgische Ondernemingen (Federation of Enterprises in Belgium), while he has been the Secretary General of the Institut International d'Études Bancaires (International Institute of Banking Studies) since May 2013. He was also a member of the Liikanen Group on reforming the structure of the EU banking sector. He has been a Member of the Board of Directors of the Bank since April 2016.

#### **NON-EXECUTIVE MEMBER**

**(Pursuant to the provisions of Law 3864/2010)**

#### **Spyridon-Stavros A. Mavrogalos-Fotis (until 26.4.2018)**

He was born in Athens in 1968. He holds a BSc in Computer Information Systems from the American College of Greece (1991) and a Master of Business Administration (MBA) in Finance from the University of Nottingham (1992). He is a chartered auditor-accountant (ACCA) and an internal auditor. From 1993 to 1996 he worked as auditor for KPMG and then for ABN AMRO. From 1996 to 2002 he served as internal auditor and subsequently as Risk Management Head at EFG Eurobank Ergasias. From 2002 to 2007 he was the Cosmote Group COO. Additionally, from 2008-2013 he was Assistant General Manager at the National Bank of Greece. From October 2013 to March 2016 he served as Managing Director at the ETHNIKI Hellenic General Insurance Company and as Chairman at its subsidiaries in Greece, Cyprus and Romania. He was the General Secretary of the Hellenic Association of Insurance Companies and since 2014 he has been Vice Chairman and non-executive member of the Insurance Company Europe AEGA. He was a Member of the Board of Directors of the Bank, representing the Hellenic Financial Stability Fund, from February 2017 until April 2018.

#### **Johannes Herman Frederik G. Umbgrove (as of 26.4.2018)**

He was born in Vught, the Netherlands in 1961. He holds an LL.M. in Trade Law (1985) from Leiden University and an MBA from INSEAD (The Business School for the World), Fontainebleau (1991). He worked at ABN AMRO Bank N.V. (1986-2008), wherein he held various senior



management positions throughout his career. He served as Chief Credit Officer CEEMEA of the Global Markets Division at The Royal Bank of Scotland group (2008-2010) and as Chief Risk Officer and member of the Management Board at Amsterdam Trade Bank N.V. (2010-2013). From 2011 until 2013 he was Group Risk Officer at Alfa Bank Group Holding. As of 2014 he has been a Risk Advisor at Sparrenwoude B.V. and as of 2018 he has been the Chairman of the Supervisory Board of Demir Halk Bank (Nederland) N.V. He has been a Member of the Board of Directors of the Bank, representing the Hellenic Financial Stability Fund, since April 2018.

## SECRETARY

### George P. Triantafyllides

He was born in Athens in 1963. He holds a BSc from Oregon State University. He has served as a Naval Officer in the United States Navy. He joined the Bank in 1994 and has worked in various areas of responsibility, while in 2001 he was assigned to the Secretariat of the Board of Directors. He has been the Manager of the Secretariat of the Board of Directors and the Secretary of the Board of Directors of the Bank since 2014.

## E. Management Committees

The Committees composed by Members of the Management of the Bank are the Executive Committee, the Assets-Liabilities Management Committee (ALCo), the Credit Committees (Performing and Non-Performing Loans) and the Troubled Assets Committee.

1. The **Executive Committee** is the senior executive body of the Bank. The indicative main responsibilities include but are not limited to: overall service model of the Bank and the Group, three-year Business Plan, major investment and de-investment decisions, Credit and Operational Risk Policies, the Human Resources Policy, Capital allocation to Business, High-level Communication issues, major issues of the Board of Directors.
2. The **Assets-Liabilities Management Committee (ALCo)** examines and decides on issues related to Treasury and Balance Sheet Management and monitors the course of the results, the budget, the funding plan, the capital adequacy and the overall financial volumes of the Bank and the Group, approving the respective actions and policies. In addition, the Committee approves the interest rate policy, the structure of the investment

portfolios and the total market, interest rate and liquidity risk limits.

3. The **Credit Committees** approve new credit or restructuring proposals for performing and non-performing loans.
4. The **Troubled Assets Committee** designs, and implements the strategy for managing troubled assets by Business Unit (Wholesale Banking, Retail Banking), geographical region, product, activity, sector, etc.

## F. Description of the Diversity Policy applied to management, administration and supervision bodies

Alpha Bank has adopted the Diversity Policy that sets the principles and the approach for the achievement of diversity in both the Board of Directors and the Personnel in accordance with the legislative and regulatory framework in force as well as with European best practices.

The objectives of the Policy are to support and promote diversity as well as to engage a broad set of qualities and competences when recruiting Members of the Board of Directors and Personnel, to achieve a variety of views and experiences and to facilitate independent opinions.

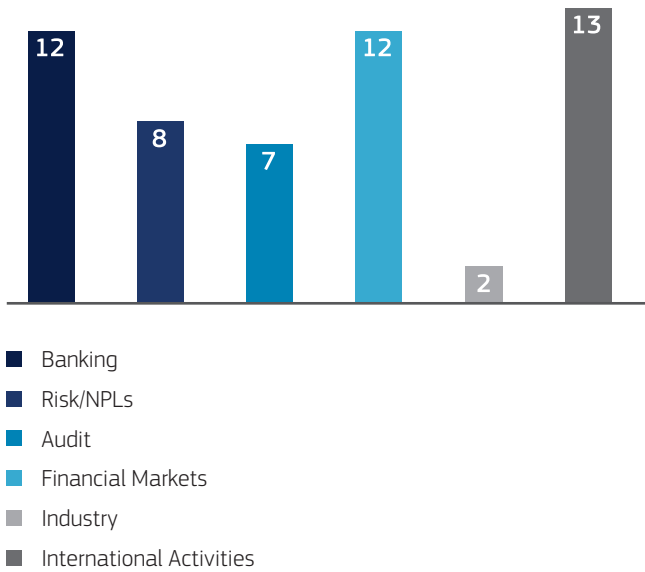
### 1. Board of Directors

Taking into account the existing framework, the Bank embraces the benefits of having a diverse Board of Directors. It recognises that diversity can help achieve maximum team performance and effectiveness, enhance innovation and creativity and promote critical thinking and team cooperation within the Board. In this context, a diversified Board of Directors fosters constructive challenge and discussion on the basis of different points of view. It can help improve decision-making regarding strategies and risk-taking by encompassing a broader range of views, opinions, experience, perception, values and backgrounds. It reduces the phenomena of “group think” and “herd behaviour”.

A truly diverse Board of Directors allows and makes good use of differences in skills, regional and industry experience, background, abilities, qualifications, professional training, gender and other distinctions between the Members. All Board appointments at Alpha Bank are made on merit in the context of the skills, experience, knowledge and independence which the Board as a whole requires in order to be effective.

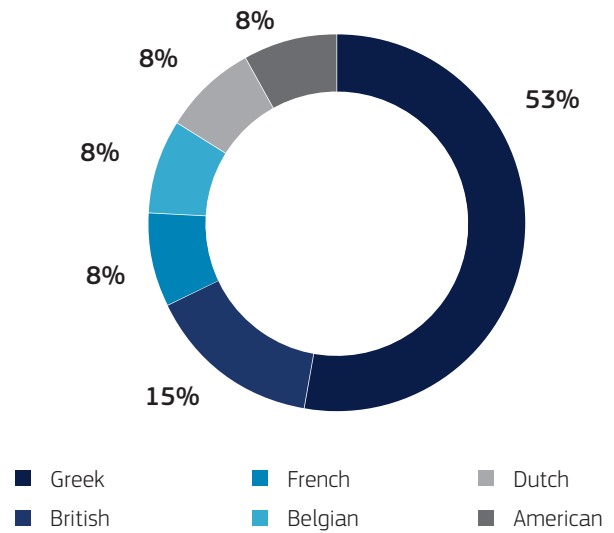


### Professional Profiles of the Members of the Board of Directors

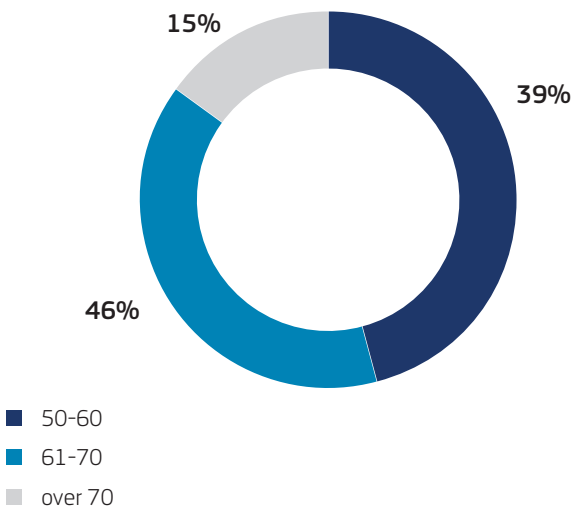


The table depicts the various sectors in which the Members of the Board of Directors possess professional experience.

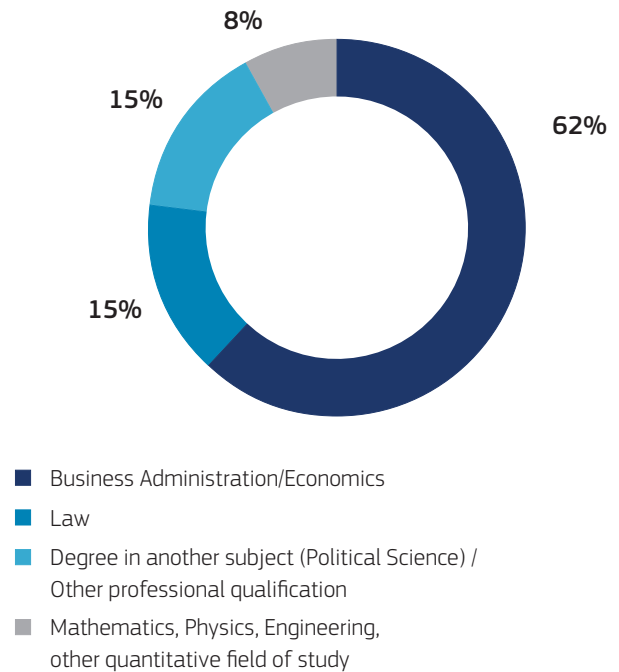
### Nationality of the Members of the Board Of Directors



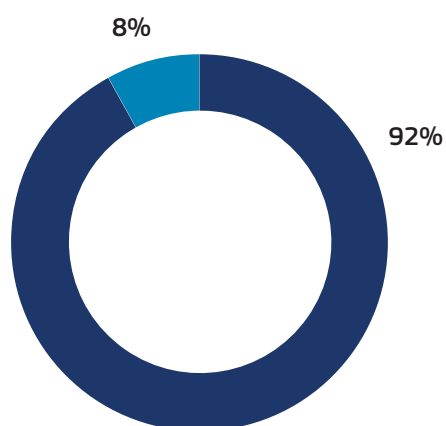
### Age Range of the Members of the Board of Directors



### Educational Profiles of the Members of Board of Directors



### Gender Diversity in the Board of Directors



- Male
- Female

The Board of Directors' actual target in relation to the female gender representation on the Board is to reach at least 30% in the next three (3) years, while always considering industry trends and best practices. The Corporate Governance and Nominations Committee has informed accordingly the Board of Directors and has made the achievement of the said target a priority when nominating candidates.

All the candidates for the Board of Directors are assessed on the basis of the same criteria, irrespective of gender, since the eligible Members for the Board of Directors must fulfil all the conditions set in relation to their qualifications. In this context, men and women have equal opportunities to be nominated, under the condition that they fulfil all the other prerequisites. The Bank does not nominate Members to the Board of Directors with the sole purpose of increasing diversity to the detriment of the functioning and suitability of the Board of Directors collectively or at the expense of the suitability of individual Members of the Board of Directors.

## 2. Personnel

To Alpha Bank, the provision of equal opportunities for employment and advancement to all its Employees is not merely a legal obligation, but also a cornerstone of its Human Resources policy. This Policy is incorporated in the Human Resources management procedures and practices and ensures the implementation thereof in every country where the Bank is present.

Seeking to implement gender equality in action and to address the issue of the low percentage of women in positions of responsibility, issues which are typical of the Greek labour market, the Bank takes a number of measures which

help its Employees balance their professional and family life, while also promoting equitable treatment and merit-based Personnel advancement, with equal advancement opportunities for female Employees.

The Bank applies a uniform, gender-neutral salary policy to all categories of Personnel.

The Bank respects and defends the diversity of its Employees irrespective of gender, age, nationality, political and religious convictions or any other discrimination. Further to the above-mentioned principles, the Bank recognises the need for diversity pertaining to skills, background, knowledge and experience in order to facilitate constructive discussion and independent thinking. It ensures top-quality work conditions and opportunities for advancement that are based on merit and equitable treatment. It offers fair remuneration, based on contracts which are in agreement with the conditions of the corresponding national labour market and ensures compliance with the respective national regulations, inter alia, on minimum pay, working hours and the granting of leave.

Further to the above, the Bank defends human rights and opposes all forms of child, forced or compulsory labour. The Bank respects employee rights and is committed to safeguarding them fully, in accordance with the national and the European Union Law and the Conventions of the International Labour Organization.

### Employees in position of Responsibility\* as of 31.12.2018

Gender	Age Breakdown as of 31.12.2018				Total	Percentage
	18-25	26-40	41-50	51+		
Male		43	263	200	506	63.65%
Female		22	199	68	289	36.35%
<b>Total:</b>		<b>65</b>	<b>462</b>	<b>268</b>	<b>795</b>	<b>100%</b>
Percentage		8.18%	58.11%	33.71%	100%	

Educational level	Breakdown as of 31.12.2018	Percentage
Postgraduate Studies (Master's, PhD)	319	40.13%
Tertiary Education (graduates of Universities or Technological Education Institutes)	253	31.82%
High School (Lyceum) graduates	223	28.05%
<b>Total</b>	<b>795</b>	<b>100%</b>

\* Positions of Responsibility are defined as the positions from Branch Manager and above.

The percentage and number of Employees in managerial positions per educational level point out that Employees in managerial positions holding postgraduate degrees represent in 2018 the highest percentage, i.e. 40.13%.



## G. REMUNERATION POLICY

The Remuneration Policy is consistent with the values, business strategy, objectives and, in general, the long-term interests of the Bank and the Group Companies and complies, inter alia, with the dictates of Law 4261/2014, Law 4548/2018 and Regulation (EU) No 575/2013 of the European Parliament and of the Council of the European Union of 26 June 2013.

In particular, in the context of effective risk management, the Policy discourages excessive risk taking and prevents or minimises the emergence of conflicts of interest which are to the detriment of the proper, wise and moral management of risks. It also correlates the remuneration received by the Human Resources of the Bank and Group Companies with the risks they undertake and manage.

For the determination of the fixed remuneration, further to the provisions of the labour legislation and the collective labour agreements, the market practices and the significance

of each position are also taken into account. In order to establish an objective and fair Remuneration Policy, the assessment of job positions is required. Furthermore, the performance management system motivates the achievement of outstanding long-term results without encouraging excessive risk taking. More specifically, the evaluation of the performance of an Executive takes into account the achievement of his/her goals, which include operational results, adherence to internal procedures, customer relations and subordinates management, but also includes qualitative criteria relating to his/her personality demonstrated in the performance of his/her duties. The proper and selective implementation of the variable remuneration policy is considered a necessary tool of Human Resources Management and is required for attracting and/or keeping Executives at Bank and Group level, thus contributing significantly to the achievement of the long-term business objectives of the Bank and the Group Companies.

### **Information on the Remuneration of the Members of the Board of Directors for the year 2018 (1.1-31.12.2018), in application of Regulation (EU) No 575/2013, article 450**

	Members of the Board of Directors	
	Non-Executive	Executive
<b>Number of beneficiaries</b>	10	5
<b>Fixed remuneration total (amounts in Euro)</b>	1,022,250.07	1,491,494.20
<b>Variable remuneration total split into:</b>	-	-
Cash	-	-
Shares	-	-
Share-linked instruments	-	-
Other types	-	-
<b>Amounts of outstanding deferred remuneration split into:</b>		
Vested	-	-
Unvested	-	-
<b>Amounts of deferred remuneration awarded during the financial year, paid out and reduced through performance adjustments</b>	-	-
<b>Number of beneficiaries of new sign-on payments</b>	-	-
<b>Total amount of new sign-on payments</b>	-	-
<b>Number of beneficiaries of severance payments</b>	-	-
<b>Total amount of severance payments</b>	-	-
<b>Highest severance amount awarded to a single person</b>	-	-

Athens, 28 March 2019

THE CHAIRMAN  
OF THE BOARD OF DIRECTORS

VASILEIOS T. RAPANOS  
ID No AI 666242





## **INDEPENDENT AUDITOR'S REPORT**

**To the Shareholders of Alpha Bank S.A.**

### **Report on the Audit of the Separate and Consolidated Financial Statements**

#### **Opinion**

We have audited the accompanying separate and consolidated financial statements of Alpha Bank S.A. (the Bank) and its subsidiaries (the Group), which comprise the separate and consolidated balance sheet as at 31 December 2018, and the separate and consolidated statements of income and comprehensive income, changes in equity and cash flows for the year then ended, and notes to the separate and consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the separate and consolidated financial position of the Bank and the Group as at 31 December 2018 and its separate and consolidated financial performance and its separate and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), as endorsed by the European Union.

#### **Basis for Opinion**

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

#### **Key Audit Matters**

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

Key audit matters	How our audit addressed the Key audit matters
<p data-bbox="113 398 762 450"><b>Allowance for loans and advances to customers at amortized cost</b></p> <p data-bbox="113 465 762 719">Loans and advances to customers at amortized cost of the Bank and the Group amounted to € 35,311 million for the Bank and € 39,910 million for the Group at 31 December 2018 (€38,521 million for the Bank and € 43,318 million for the Group at 31 December 2017), and impairment losses on loans (charge for the period) amounted to € 1,440 million for the Bank and € 1,656 million for the Group for the year ended 31 December 2018 (€ 810 million for the Bank and € 1,033 million for the Group for the year ended 31 December 2017).</p> <p data-bbox="113 741 762 842">From 1 January 2018, the Group has adopted IFRS 9, resulting in impairment charges being recognised when the losses are expected rather than when they have been incurred.</p> <p data-bbox="113 869 762 1144">Measurement of the allowance for impairments on loans and advances to customers at amortized cost is considered a key audit matter given the magnitude of the specific account balance, as well as the fact that the determination of the assumptions used is highly subjective, due to the high level of judgement applied by Management for expected credit losses (ECL). Moreover, there is a significant increase in models used and data inputs required for the impairment calculations and there is limited experience available to perform back testing of ECL calculations with actual results.</p> <p data-bbox="113 1171 762 1272">The Bank and the Group establish allowances for impairments on loans and advances to customers at amortized cost for expected credit losses on both an individual and on a collective basis.</p> <p data-bbox="113 1296 762 1375">Key judgements and estimates in respect of the timing and measurement of expected credit losses (ECL) include:</p> <ul data-bbox="113 1400 762 1771" style="list-style-type: none"> <li>• Accounting interpretations and modeling assumptions used in the expected credit loss models to assess the credit risk related to the exposure and the expected future cash flows of the customer.</li> <li>• Inputs and assumptions used to estimate the impact of multiple economic scenarios.</li> <li>• Timely identification of exposures with significant increase in credit risk and credit impaired exposures.</li> <li>• Valuation of collateral and assumptions of future cash flows on individually assessed credit-impaired exposures, including the assessment of multiple scenarios.</li> <li>• Valuation of post model adjustments.</li> <li>• Accuracy and adequacy of the financial statement disclosures.</li> </ul> <p data-bbox="113 1798 762 2020">Management has provided further information about principles and accounting policies for determining the allowance for impairment on loans and advances to customers at amortized cost, management of credit risk and the review of impairment and charges for impairment on loans and advances to customers at amortized cost in Notes 1.13, 11, 19 and 40 to the separate and Notes 1.14, 11, 19 and 43 to the consolidated financial statements.</p>	<p data-bbox="770 465 1396 595">Based on our risk assessment and following a risk-based approach, we have evaluated the impairment methodologies applied and assumptions made by Management in relation to this key audit matter, which included, inter alia, the following audit procedures:</p> <ul data-bbox="770 620 1396 1850" style="list-style-type: none"> <li>• Assessed design and implementation of internal controls relevant to the audit, including controls around methodologies applied, risk models used, significant assumptions employed by Management, accuracy and completeness of data inputs and model calculations as well as controls over manual processes for valuation of collateral and assumptions of future cash flows for individually assessed exposures.</li> <li>• Assessed the appropriateness of impairment provisioning methodologies and policies adopted by Management (including SICR criteria used).</li> <li>• With the support of our credit risk and modeling specialist, obtained and tested evidence to support the appropriateness of probability of default, loss given default and exposure at default assumptions. For a sample of models, we assessed the reasonableness of the model predictions by comparing them against actual results.</li> <li>• With the support of our internal credit risk and modeling specialists, we assessed the base case and alternative economic scenarios, including challenging probability weights. We assessed whether forecasted macroeconomic variables were appropriate such as GDP, unemployment rate, Residential Real Estate Price Index and Commercial Real Estate Price Index.</li> <li>• Obtained and tested evidence of timely identification of exposures with significant increase in credit risk and timely identification of credit impaired exposures.</li> <li>• On a sample basis assessed the reasonableness of significant assumptions used in the measurement of impairment of individually assessed exposures, including valuation of collaterals (where we also made use of our real estate specialist) as well as assumptions used for estimating future discounted cash flows.</li> <li>• Assessed the appropriateness of post model adjustments based on the current economic conditions, market circumstances and Management’s actions by: <ul data-bbox="770 1552 1396 1675" style="list-style-type: none"> <li>- Assessing the key developments against historical data.</li> <li>- Assessing the reasonableness of the different identified post model adjustments by challenging key assumptions using our industry knowledge and experience.</li> <li>- Inspecting calculation methodology.</li> </ul> </li> <li>• We assessed whether the disclosures appropriately disclose and address the uncertainty, which exists when determining the expected credit losses. As a part of this, we assessed the sensitivity analysis that is disclosed. In addition, we assessed whether the disclosure of the key judgements and assumptions made was sufficiently clear.</li> </ul>

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## Deferred Tax Asset Recoverability

The Bank and the Group have recognized a deferred tax asset of € 5,340 million and € 5,291 million respectively as at 31 December 2018 compared to € 4,282 million and € 4,331 million respectively as at 31 December 2017, out of which an amount of € 164 million and € 179 million respectively as at 31 December 2018 relates to deferred tax on carried forward tax losses, compared to € 305 million and € 325 million respectively as at 31 December 2017.

Measurement of the deferred tax asset is deemed a key audit matter as it requires assumptions and forecasts on future taxable profits, evaluation of historical tax losses, which may not be appropriate under the circumstances.

Management has provided further information about the deferred tax asset in Notes 1.31.3 and 25 to the separate and Notes 1.33.3 and 25 to the consolidated financial statements.

Based on our risk assessment, we have evaluated the method used to determine the amount of deferred tax asset recognized and examined the budgets and assumptions prepared by Management relating to the future taxable profits.

Our examination included the following elements where we also made use of our tax specialists:

- Assessing the design and implementation of the internal controls relevant to the audit, around the preparation and review of budgets and forecasts, including the internal controls over the significant assumptions, inputs, calculation and methodologies used.
- Evaluating Management's assessment of recent changes to the tax law affecting deferred tax balances.
- Challenging the reasonableness of Management's significant assumptions and forecasts of future profits and how these affect the deferred tax balance in light of the historical accuracy of such forecasts and current results.

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## General Information Technology Controls systems and internal controls over financial reporting

The Bank's and the Group's financial reporting processes are highly dependent on Information Technology ("IT") systems supporting automated accounting and reconciliation procedures, thus leading to a complex IT environment, pervasive in nature in which a significant number of transactions are processed daily, across numerous locations.

This is a key audit matter since it is important that controls over access security, system change control and data center and network operations, are designed and operate effectively to ensure complete and accurate financial records/information.

Based on our risk assessment, we have tested the design and operating effectiveness of General Information Technology Controls (GITCs) relevant for financial reporting. Our assessment included the evaluation of access over applications, operating systems and databases, the process followed over changes made to information systems, as well as data center and network operations.

In summary, our key audit activities included, among others, testing of:

- User access provisioning and de-provisioning process
- Privileged access to applications, operating systems and databases
- Periodic review of user access right process
- Change management process over applications, operating systems and databases (i.e. user request, user acceptance testing and final approval for promotion to production).
- Data center and network operations.

## **Other Information**

Management is responsible for the other information. The other information, included in the Annual Report prepared in accordance with Law 3556/2007, comprises the Board of Directors Report, referred to in the section "Report on Other Legal and Regulatory Requirements", the Statement by the Members of the Board of Directors, the Explanatory Report of the Board of Directors and the Corporate Governance Report but does not include the separate and consolidated financial statements and our auditor's report thereon.

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

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

## **Responsibilities of Management and Those Charged with Governance for the Separate and Consolidated Financial Statements**

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

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

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

## **Auditor's Responsibilities for the Audit of the Separate and Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the separate and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs, as these have been transposed into the Greek legislation, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate and consolidated financial statements.

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

We also:

- Identify and assess the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's and Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank and the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether the separate and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the separate and consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

## **Report on Other Legal and Regulatory Requirements**

### **1) Board of Director's Report**

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

- a) The Board of Director's report includes the Corporate Governance Statement which provides the information required by article 43bb of Greek Codified Law 2190/1920.
- b) In our opinion, the Board of Director's report has been prepared in accordance with the applicable legal requirements of article 43a and 107a and paragraph 1 (cases c and d) of article 43bb of Greek Codified Law 2190/1920 and its content is consistent with the accompanying separate and consolidated financial statements for the year ended 31 December 2018.
- c) Based on the knowledge we obtained during our audit of the Bank and the Group and its environment, we have not identified any material inconsistencies in the Board of Director's Report.

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

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

## Report on Other Legal and Regulatory Requirements – Continued

### 3) **Non-audit Services**

We have not provided to the Bank and the Group any prohibited non-audit services referred to in Article 5 of EU Regulation 537/2014.

The allowable non-audit services provided to the Bank and the Group by Deloitte Certified Public Accountants S.A., which is a member firm of Deloitte Touche Tohmatsu Limited (“DTTL”), during the year ended 31 December 2018 are disclosed in Note 44 and 47 to the separate and consolidated financial statements respectively. In addition, allowable non-audit services amounting to € 0.034 million and € 0.180 million have been provided to the Bank and the Group respectively by other member firms of DTTL and their respective affiliates.

### 4) **Appointment**

We were first appointed as statutory auditors by the General Assembly of the Shareholders of Alpha Bank S.A. on 30 June 2017. The year ended 31 December 2018 is the second year we serve as statutory auditors.

Athens, 28 March 2019

The Certified Public Accountant

### **Alexandra V. Kostara**

Reg. No. SOEL: 19981

Deloitte Certified Public Accountants S.A.

3a Fragoklissias & Granikou Str.

151 25 Maroussi

Reg. No. SOEL: E120





# Group Financial Statements as at 31.12.2018

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ALPHA BANK





## Consolidated Income Statement

(Amounts in thousands of Euro)

	Note	FROM 1 JANUARY TO 31.12.2018	31.12.2017
Interest and similar income	2	2,278,188	2,514,338
Interest expense and similar charges	2	(522,143)	(571,746)
Net interest income	2	1,756,045	1,942,592
Fee and commission income		409,388	395,490
Commission expense		(74,217)	(71,996)
Net fee and commission income	3	335,171	323,494
Dividend income	4	1,344	1,435
Gain less losses on derecognition of financial assets measured at amortised cost	6	(117)	
Gains less losses on financial transactions and impairments on Group companies	5	462,789	144,702
Other income	7	49,690	54,508
<b>Total other income</b>		<b>513,706</b>	<b>200,645</b>
<b>Total income</b>		<b>2,604,922</b>	<b>2,466,731</b>
Staff costs	8	(475,325)	(474,378)
Provision for separation schemes		-	(92,719)
General administrative expenses	9	(532,355)	(554,960)
Depreciation and amortization	22, 23, 24	(102,027)	(99,743)
Other expenses	10	(52,656)	(71,234)
<b>Total expenses before impairment losses and provisions to cover credit risk</b>		<b>(1,162,363)</b>	<b>(1,293,034)</b>
Impairment losses and provisions to cover credit risk	11, 12	(1,730,647)	(1,005,415)
Share of profit/(loss) of associates and joint ventures	21	(1,265)	(3,162)
<b>Profit/(loss) before income tax</b>		<b>(289,353)</b>	<b>165,120</b>
Income tax	13	342,312	(75,611)
<b>Profit/(loss) after income tax, from continuing operations</b>		<b>52,959</b>	<b>89,509</b>
Profit/(loss) after income tax, from discontinued operations			(68,457)
<b>Profit/(loss) after income tax</b>		<b>52,959</b>	<b>21,052</b>
<b>Profit/(loss) attributable to:</b>			
<b>Equity owners of the Bank</b>			
from continuing operations	14	52,961	89,528
from discontinued operations	14		(68,457)
		<b>52,961</b>	<b>21,071</b>
Non-controlling interests			
from continuing operations		(2)	(19)
<b>Earnings/(losses) per share</b>			
Basic and diluted (€ per share)	14	0.03	0.01
Basic and diluted from continuing operations (€ per share)	14	0.03	0.06
Basic and diluted from discontinued operations (€ per share)	14		(0.04)

The attached notes (pages 71-296) form an integral part of these consolidated financial statements



## Consolidated Balance Sheet

(Amounts in thousands of Euro)

	Note	31.12.2018	31.12.2017*
<b>Assets</b>			
Cash and balances with central banks	15	1,928,205	1,593,850
Due from banks	16	2,500,492	1,715,649
Trading securities	17	8,339	8,685
Derivative financial assets	18	725,173	622,536
Loans and advances to customers	19	40,228,319	43,318,193
Investment securities	20		
- Measured at fair value through other comprehensive income	20a	6,961,822	
- Measured at fair value through profit or loss	20b	42,794	
- Available for sale	20c		5,873,768
- Held to maturity	20d		10,870
Investments in associates and joint ventures	21	23,194	18,886
Investment property	22	493,161	553,343
Property, plant and equipment	23	734,663	733,833
Goodwill and other intangible assets	24	434,093	389,809
Deferred tax assets	25	5,290,763	4,330,602
Other assets	26	1,363,685	1,348,785
		<b>60,734,703</b>	<b>60,518,809</b>
Assets held for sale	49	272,037	288,977
<b>Total Assets</b>		<b>61,006,740</b>	<b>60,807,786</b>
<b>Liabilities</b>			
Due to banks	27	10,456,359	13,141,531
Derivative financial liabilities	18	1,147,895	1,029,421
Due to customers (including debt securities in issue)	28	38,731,835	34,890,436
Debt securities in issue held by institutional investors and other borrowed funds	29	943,334	655,567
Liabilities for current income tax and other taxes	30	41,272	42,761
Deferred tax liabilities	25	18,681	24,997
Employee defined benefit obligations	31	86,744	92,038
Other liabilities	32	908,515	870,682
Provisions	33	527,386	433,240
		<b>52,862,021</b>	<b>51,180,673</b>
Liabilities related to assets held for sale	49	1,603	422
<b>Total Liabilities</b>		<b>52,863,624</b>	<b>51,181,095</b>
<b>EQUITY</b>			
<b>Equity attributable to equity owners of the Bank</b>			
Share capital	34	463,110	463,110
Share premium	35	10,801,029	10,801,029
Reserves	36	460,025	809,073
Amounts recognized directly in equity related to assets held for sale	36	(122)	(122)
Retained earnings	37	(3,624,847)	(2,490,040)
		<b>8,099,195</b>	<b>9,583,050</b>
<b>Non-controlling interests</b>		<b>28,814</b>	<b>28,534</b>
<b>Hybrid securities</b>	38	<b>15,107</b>	<b>15,107</b>
<b>Total Equity</b>		<b>8,143,116</b>	<b>9,626,691</b>
<b>Total Liabilities and Equity</b>		<b>61,006,740</b>	<b>60,807,786</b>

\* The consolidated balance sheet of the comparative year has been restated due to the reclassification of specific account balances, as described in detail in note 52.

The attached notes (pages 71-296) form an integral part of these consolidated financial statements



## Consolidated Statement of Comprehensive Income

(Amounts in thousands of Euro)

	Note	FROM 1 JANUARY TO 31.12.2018	31.12.2017
<b>Profit/(loss), after income tax, recognized in the Income Statement</b>		<b>52,959</b>	<b>21,052</b>
<b>Other comprehensive income</b>			
<b>Amounts that may be reclassified to the Income Statement</b>			
Net change in available for sale securities reserve			509,224
Net change in securities reserves measured at fair value through other comprehensive income		(556,366)	
Net change in cash flow hedge reserve		(2,719)	52,774
Exchange differences on translating and hedging the net investment in foreign operations		11,002	(2,192)
Net change in the share of other comprehensive income of associates and joint ventures		(149)	72
Income tax	13	159,240	(155,234)
<b>Amounts that may be reclassified in the Income Statement from continuing operations</b>		<b>(388,992)</b>	<b>404,644</b>
<b>Amounts that may be reclassified in the Income Statement from discontinued operations</b>	49	-	<b>68,457</b>
<b>Amounts that will not be reclassified in the Income Statement from continuing operations</b>			
Net change in actuarial gains/(losses) of defined benefit obligations		1,171	198
Gains/(losses) from shares measured at fair value through other comprehensive income		(7,314)	
Income tax	13	493	(56)
		<b>(5,650)</b>	<b>142</b>
<b>Amounts that will not be reclassified in the Income Statement from discontinued operations</b>			
Net change in actuarial gains/(losses) of defined benefit obligations			(200)
Income tax			30
		-	<b>(170)</b>
<b>Total of other comprehensive income recognized directly in equity, after income tax</b>	13	<b>(394,642)</b>	<b>473,073</b>
<b>Total comprehensive income for the year, after income tax</b>		<b>(341,683)</b>	<b>494,125</b>
<b>Total comprehensive income for the year attributable to:</b>			
<b>Equity owners of the Bank</b>			
- from continuing operations		(341,681)	494,149
- from discontinued operations			
		<b>(341,681)</b>	<b>494,149</b>
<b>Non controlling interests:</b>			
- from continuing operations		(2)	(24)

The attached notes (pages 71-296) form an integral part of these consolidated financial statements



## Consolidated Statement of Changes in Equity

(Amounts in thousands of Euro)

	Note	Share capital	Share premium	Reserves	Retained earnings	Total	Non-controlling interests	Hybrid securities	Total
<b>Balance 1.1.2017</b>		<b>461,064</b>	<b>10,790,870</b>	<b>332,061</b>	<b>(2,506,711)</b>	<b>9,077,284</b>	<b>20,997</b>	<b>15,132</b>	<b>9,113,413</b>
<b>Changes for the year 1.1 - 31.12.2017</b>									
Profit for the year, after income tax					21,071	21,071	(19)		21,052
Other comprehensive income after income tax				473,105	(27)	473,078	(5)		473,073
<b>Total comprehensive income for the year, after income tax</b>				<b>473,105</b>	<b>21,044</b>	<b>494,149</b>	<b>(24)</b>		<b>494,125</b>
Conversion of convertible bond loan into shares		2,046	10,159			12,205			12,205
Share capital increase expenses, after income tax					(560)	(560)			(560)
Purchases/sales and change of ownership interests in subsidiaries and share capital increases of subsidiaries					(26)	(26)	7,561		7,535
(Purchases), (redemptions)/sales of hybrid securities, after income tax						-		(25)	(25)
Appropriation of reserves				3,785	(3,785)	-			-
Other					(2)	(2)			(2)
<b>Balance 31.12.2017</b>		<b>463,110</b>	<b>10,801,029</b>	<b>808,951</b>	<b>(2,490,040)</b>	<b>9,583,050</b>	<b>28,534</b>	<b>15,107</b>	<b>9,626,691</b>

The attached notes (pages 71-296) form an integral part of these consolidated financial statements



(Amounts in thousands of Euro)

	Note	Share capital	Share premium	Reserves	Retained earnings	Total	Non-controlling interests	Hybrid securities	Total
<b>Balance 31.12.2017</b>		<b>463,110</b>	<b>10,801,029</b>	<b>808,951</b>	<b>(2,490,040)</b>	<b>9,583,050</b>	<b>28,534</b>	<b>15,107</b>	<b>9,626,691</b>
Impact from the implementation of IFRS 9 as at 1.1.2018	44			37,059	(1,179,336)	(1,142,277)			(1,142,277)
<b>Balance 1.1.2018</b>		<b>463,110</b>	<b>10,801,029</b>	<b>846,010</b>	<b>(3,669,376)</b>	<b>8,440,773</b>	<b>28,534</b>	<b>15,107</b>	<b>8,484,414</b>
<b>Changes for the year 1.1 - 31.12.2018</b>									
Profit for the year, after income tax					52,961	52,961	(2)		52,959
Other comprehensive income after income tax				(388,992)	(5,650)	(394,642)			(394,642)
<b>Total comprehensive income for the year, after income tax</b>		<b>-</b>	<b>-</b>	<b>(388,992)</b>	<b>47,311</b>	<b>(341,681)</b>	<b>(2)</b>	<b>-</b>	<b>(341,683)</b>
Purchases/sales and change of ownership interests in subsidiaries and share capital increases of subsidiaries					(198)	(198)	282		84
Appropriation of reserves				2,885	(2,885)	-			-
Other					301	301			301
<b>Balance 31.12.2018</b>		<b>463,110</b>	<b>10,801,029</b>	<b>459,903</b>	<b>(3,624,847)</b>	<b>8,099,195</b>	<b>28,814</b>	<b>15,107</b>	<b>8,143,116</b>

The attached notes (pages 71-296) form an integral part of these consolidated financial statements



## Consolidated Statement of Cash Flows

(Amounts in thousands of Euro)

	Note	FROM 1 JANUARY TO 31.12.2018	31.12.2017*
<b>Cash flows from continuing operating activities</b>			
Profits/(Losses) before income tax		(289,353)	165,120
<b>Adjustments for gains/(losses) before income tax for:</b>			
Depreciation/impairment/write-offs of fixed assets		89,557	128,998
Amortization/impairment/write-offs of intangible assets		59,910	51,930
Impairment losses on financial assets and other provisions		1,766,576	1,157,336
Result from sales of loans and debt to equity transactions		(2,606)	
Valuation of financial assets measured at fair value through profit or loss		68,272	(204,486)
(Gains)/losses from investing activities		(635,858)	(307,163)
(Gains)/losses from financing activities		51,007	(15,769)
Share of (profit)/loss of associates and joint ventures	21	1,265	3,162
		<b>1,108,770</b>	<b>979,128</b>
<b>Net (increase)/decrease in assets relating to continuing operating activities</b>			
Due from banks		(142,653)	506,008
Trading securities and derivative financial assets		(13,529)	(41,744)
Loans and advances to customers		(558,712)	(49,968)
Other assets		337,225	127,998
<b>Net increase/(decrease) in liabilities relating to continuing operating activities:</b>			
Due to banks		(2,685,172)	(5,964,046)
Due to customers		3,884,920	1,926,601
Other liabilities		(42,607)	(32,359)
<b>Net cash flows from continuing operating activities before taxes</b>		<b>1,888,242</b>	<b>(2,548,382)</b>
Income taxes and other taxes paid		(30,789)	(13,748)
<b>Net cash flows from continuing operating activities</b>		<b>1,857,453</b>	<b>(2,562,130)</b>
<b>Net cash flows from discontinued operating activities</b>		<b>-</b>	<b>7,010</b>
<b>Cash flows from continuing investing activities</b>			
Investments in associates and joint ventures	21	(5,722)	(9,380)
Amounts received from disposal of subsidiaries		2,100	63,636
Dividends received	4	1,344	1,435
Acquisitions of fixed and intangible assets	22, 23, 24	(174,114)	(145,575)
Disposals of fixed and intangible assets		38,827	54,558
Interest received on investment portfolio securities		59,032	145,141
Purchases of Greek State treasury bills		(2,164,218)	(3,356,877)
Disposals/maturity of Greek State treasury bills		2,594,944	3,678,213
Purchases of investment securities (excluding Greek state treasury bills)		(4,822,335)	(2,761,629)
Disposals/Maturity of investment securities (excluding Greek state treasury bills)		3,394,118	5,183,187
<b>Net cash flows from continuing investing activities</b>		<b>(1,076,024)</b>	<b>2,852,709</b>
<b>Net cash flows from discontinued investing activities</b>		<b>-</b>	<b>(52,684)</b>
<b>Cash flows from continuing financing activities</b>			
Receipts of debt securities in issue and other borrowed funds		512,279	218,587
Repayments of debt securities in issue and other borrowed funds		(300,877)	(152,566)
Interests paid for debt securities in issue and other borrowed funds		(18,163)	(11,879)
Share capital increase expenses			(639)
<b>Net cash flows from continuing financing activities</b>		<b>193,239</b>	<b>53,503</b>
Effect of exchange rate differences on cash and cash equivalents		11,643	(12,463)
<b>Net increase/(decrease) in cash flows from continuing activities</b>		<b>986,311</b>	<b>331,619</b>
<b>Net increase/(decrease) in cash flows from discontinued activities</b>		<b>-</b>	<b>(45,674)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	15	<b>1,260,833</b>	<b>974,888</b>
<b>Cash and cash equivalents at the end of the year</b>	15	<b>2,247,144</b>	<b>1,260,833</b>

\* Certain figures of the previous year have been restated for comparability purposes.

The attached notes (pages 71-296) form an integral part of these consolidated financial statements





## Notes to the Financial Statements

### GENERAL INFORMATION

The Alpha Bank Group, which includes companies in Greece and abroad, offers the following services: corporate and retail banking, financial services, investment banking and brokerage services, real estate management, hotel services.

The Bank operates under the brand name of Alpha Bank A.E. using the sign of Alpha Bank. The Bank's registered office is 40 Stadiou Street, Athens and is listed in the General Commercial Register with registration number 223701000 (ex societe anonyme registration number 6066/06/B/86/05). The Bank's duration is until 2100 but may be extended by the General Meeting of Shareholders.

In accordance with article 4 of the Articles of Incorporation, the Bank's objective is to engage, on its own account or on behalf of third parties, in Greece and abroad, independently or collectively, including joint ventures with third parties, in any and all (main and secondary) operations, activities, transactions and services allowed to credit institutions, in conformity with whatever rules and regulations (domestic, community, foreign) may be in force each time. In order to serve this objective, the Bank may perform any kind of action, operation or transaction which, directly or indirectly, is pertinent, complementary or auxiliary to the purposes mentioned above.

The tenure of the Board of Directors which was elected by the Ordinary General Meeting of Shareholders on 29.6.2018 expires in 2022.

The Board of Directors as at December 31, 2018, consists of:

#### CHAIRMAN (Non Executive Member)

Vasileios T. Rapanos

#### EXECUTIVE MEMBERS

##### MANAGING DIRECTOR

Demetrios P. Mantzounis

##### DEPUTY MANAGING DIRECTORS

Spyros N. Filaretos (COO)

Artemios Ch.Theodoridis

George C. Aronis

##### GENERAL MANAGER

Vassilios E. Psaltis

#### NON-EXECUTIVE MEMBER

Efthimios O. Vidalis \*/\*\*/\*\*\*\*

#### NON-EXECUTIVE INDEPENDENT MEMBERS

Jean L. Cheval \*/\*\*/\*\*\*\*

Carolyn Adele G. Dittmeier \*/\*\*

Richard R. Gildea \*\*/\*\*\*\*

Shahzad A. Shahbaz \*\*\*\*

Jan Oscar A. Vanhevel \*/\*\*

#### NON-EXECUTIVE MEMBER

(in accordance with the requirements of Law 3864/2010)

Johannes Herman Frederic G. Umbgrove \*/\*\*/\*\*\*\*/\*\*\*\*

#### SECRETARY

George P. Triantafyllides

It is noted that, during the Ordinary General Meeting of Shareholders held on 29.6.2018, the Managing Director - CEO of the Bank, Mr D. P. Mantzounis announced his intention to initiate his succession. On 29.11.2018, the Board of Directors unanimously elected Mr V. E. Psaltis as a Member of the Board of Directors, who took over as Chief Executive Officer on 2.1.2019. Additionally, from 2.1.2019, Mr D. P. Mantzounis has been placed as a Non Executive Member of the Board of Directors.

\* Member of the Audit Committee

\*\* Member of the Remuneration Committee

\*\*\* Member of the Risk Management Committee

\*\*\*\* Member of Corporate Governance and Nominations Committee



The Executive Committee is the senior executive body of the Bank. The indicative main responsibilities include the overall service model of the Bank and the Group, three-year Business Plan, major investment and de-investment decisions, Credit and Operational Risk Policies, the Human Resources Policy, Capital allocation to Business, High-level Communication issues and major issues of the Board of Directors.

The executive Committee as of 31.12.2018 consists of the following Executive members:

#### MANAGING DIRECTOR

Demetrios P. Mantzounis

#### DEPUTY MANAGING DIRECTORS

Spyros N. Filaretos (COO)

Artemios Ch. Theodoridis - Non-Performing Loans and Treasury Management

George C. Aronis – Retail and Wholesale Banking

#### GENERAL MANAGERS

Vassilios E. Psaltis- CFO

Spyridon A. Andronikakis - CRO

On 2.1.2019 Mr. Vassilios E. Psaltis was appointed as Chief Executive Officer (CEO) and Mr Lazaros A. Papagaryfallou as General Manager - Chief Financial Officer (CFO). On 11.2.2019, Mr. Sergiu A. Opreescu was appointed as General Manager of International Network and on 1.3.2019 Mr. Nikolaos V. Salakas as General Manager, Chief Legal and Governance Officer. The aforementioned new General Managers will be members of Alpha Bank's Executive Committee, effective from the date of their appointment.

The Bank's shares are listed in the Athens Stock Exchange since 1925 and are included among the companies with the higher market capitalization. Additionally, the Bank's share is included in a series of international indices, such as MSCI Emerging Markets Index, the FTSE All World and the FTSE4Good Emerging Index.

Apart from the Greek listing, the shares of the Bank are traded over the counter in New York (ADRs).

Total ordinary shares in issue as at 31 December 2018 were 1,543,699,381. In Athens Stock Exchange are traded 1,374,525,214 ordinary shares of the Bank, while the Hellenic Financial Stability Fund ("HFSF") possesses the remaining 169,174,167 ordinary, registered, voting, paperless shares or percentage equal to 10.96% on the total of ordinary shares issued by the Bank. The exercise of the voting rights for the shares of HFSF is subject to restrictions according to the article 7a of Law 3864/2010.

During the year of 2018, the average volume of shares trade stood at € 6,621,469.

The credit rating of the Bank performed by three international credit rating agencies is as follows:

- Moody's: Caa2 (Caa1 from 5.3.2019)
- Fitch Ratings: CCC+
- Standard & Poor's: B-

**These financial statements have been approved by the Board of Directors on 28 March 2019.**



## ACCOUNTING POLICIES APPLIED

### 1.1 Basis of presentation

These financial statements relate to the fiscal year 1.1-31.12.2018 and they have been prepared:

- a) in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union, in accordance with Regulation 1606/2002 of the European Parliament and the Council of the European Union on 19 July 2002 and
- b) on the historical cost convention. As an exception, certain assets and liabilities are measured at fair value. Those assets are mainly the following:
  - Securities held for trading
  - Derivative financial instruments
  - Loans and advances to customers measured at fair value through profit or loss (applicable to the current reporting period)
  - Investment securities measured at fair value through other comprehensive income (applicable to the current reporting period)
  - Available for sale securities (applicable to 2017)
  - Investment securities measured at fair value through profit or loss (applicable to the current reporting period)
  - The convertible bond issued by the Bank which, until its conversion into shares that took place in the first quarter of the previous year, was included in "Debt securities in issue held by institutional investors and other borrowed funds".

The financial statements are presented in Euro, rounded to the nearest thousand, unless otherwise indicated.

The accounting policies for the preparation of the financial statements have been consistently applied by the Group to the years 2017 and 2018. However, the adoption of IFRS 9 resulted in significant modifications to the accounting policies for financial assets and liabilities. Accounting policies applied until 31.12.2017 are presented in note 1.32. Comparative information for 2017 was not restated, as permitted by IFRS 9. In addition, the accounting policies applied in the current reporting period took into account the following new standards and amendments to standards as well as IFRIC 22 which were issued by the International Accounting Standards Board (IASB), adopted by the European Union and applied on 1.1.2018:

► **Amendment to International Financial Reporting Standard 2 "Share-based Payment":** Classification and Measurement of Share-based Payment Transactions (Regulation 2018/289/26.2.2018)

On 20.6.2016 the International Accounting Standards Board issued an amendment to IFRS 2 with which the following were clarified:

- in estimating the fair value of a cash-settled share-based payment, the accounting for the effects of vesting and non-vesting conditions shall follow the same approach as for equity-settled share-based payments,
- where tax law requires an entity to withhold a specified amount of tax (that constitutes a tax obligation of the employee) that relates to share-based payments and shall be remitted to the tax authority, such an arrangement shall be classified as equity-settled in its entirety, provided that the share-based payment would have been classified as equity-settled had it not included the net settlement feature,
- if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification.

The above amendment had no impact on the financial statements of the Group.

► **Amendment to International Financial Reporting Standard 4 "Insurance Contracts":** Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Regulation 2017/1988/3.11.2017)



On 12.9.2016 the International Accounting Standards Board issued an amendment to IFRS 4 with which:

- It provides insurers, whose activities are predominantly connected with insurance, with a temporary exemption from application of IFRS 9 until 1.1.2021 and
- following full adoption of IFRS 9 and until applying IFRS 17, it gives all entities with insurance contracts the option to present changes in fair value on qualifying designated financial assets in other comprehensive income instead of profit or loss.

The above amendment had no impact on Group's financial statements since the Group did not make use of the above exceptions to the application of IFRS 9.

► **International Financial Reporting Standard 9** "Financial Instruments" (Regulation 2016/2067/22.11.2016)

On 24.7.2014, the International Accounting Standards Board completed the issuance of the final text of IFRS 9 "Financial Instruments", which replaced the existing IAS 39. The new standard provides for significant differentiations in the classification and measurement of financial instruments as well as in hedge accounting. An indication of the new requirements is presented below:

### **Classification and measurement**

Financial instruments shall be classified, after initial recognition, at either amortised cost or at fair value. The criteria that should be considered for the initial classification of the financial assets are the following:

- i. The entity's business model for managing the financial assets. Three categories of Business Models are defined:
  - Hold to collect contractual cash flows
  - Hold to collect and sell
  - Other

and

- ii. The contractual cash flow characteristics of the financial assets.

A financial asset shall be measured at amortised cost if both of the following conditions are met:

- the instrument is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

If an instrument meets the above criteria but is held with the objective of both selling and collecting contractual cash flows it shall be classified as measured at fair value through other comprehensive income.

Financial assets that are not included in any of the above two categories are mandatorily measured at fair value through profit or loss.

In addition, IFRS 9 permits, at initial recognition, equity instruments to be classified at fair value through other comprehensive income. The option precludes equity instruments held for trading. Moreover, with regards to embedded derivatives, if the hybrid contract contains a host that is within the scope of IFRS 9, the embedded derivative shall not be separated and the accounting treatment of the hybrid contract should be based on the above requirements for the classification of the financial instruments.

With regards to the financial liabilities, the main difference is that the change in the fair value of a financial liability initially designated at fair value through profit or loss shall be recognised in profit or loss with the exception of the effect of change in the liability's credit risk which shall be recognised directly in other comprehensive income.

### **Impairment**

Contrary to IAS 39, under which an entity recognizes only incurred credit losses, the new standard requires the recognition of expected credit losses. In particular, on initial recognition of an asset, 12-month expected credit losses are recognized.



However, in case the credit risk of the issuers has increased significantly since initial recognition as well as in cases of purchased or originated credit impaired assets lifetime expected credit losses are recognized.

## Hedging

The new requirements for hedge accounting are more aligned with the entity's risk management. The main changes in relation to the current requirements of IAS 39 are summarized below:

- more items become eligible for participating in a hedging relationship either as hedging instruments or as hedged items,
- the requirement for hedge effectiveness tests to be within the range of 80%-125% is removed. Hedge effectiveness test is performed progressively only and under certain circumstances a qualitative assessment is considered adequate,
- in case that a hedging relationship ceases to be effective but the objective of risk management regarding the hedging relationship remains the same, the entity shall rebalance the hedging relationship in order to satisfy the hedge effectiveness criteria.

It is noted that the new requirements for hedge accounting do not include those that relate to macro hedging, since they have not been finalized yet.

It is noted that IFRS 9 allows a company to choose, as an accounting policy, to continue to apply the requirements of IAS 39 for hedge accounting. The Group has made use of this right.

Except for the aforementioned modifications, the issuance of IFRS 9 has resulted in the amendment to other standards and mainly to IFRS 7 where new disclosures were added.

The impact from the application of IFRS 9 to the Consolidated Financial Statements is presented in note 44.

► **International Financial Reporting Standard 15** "Revenue from Contracts with Customers" (Regulation 2016/1905/22.9.2016) and **Amendment to International Financial Reporting Standard 15** "Revenue from Contracts with Customers": Clarifications to IFRS 15 Revenue from Contracts with Customers (Regulation 2017/1987/31.10.2017)

IFRS 15 "Revenue from Contracts with Customers" was issued on 28.5.2014 by the International Accounting Standards Board. The new standard is the outcome of a joint project by the IASB and the Financial Accounting Standards Board (FASB) to develop common requirements as far as the revenue recognition principles are concerned.

The new standard shall be applied to all contracts with customers, except those that are in scope of other standards, such as financial leases, insurance contracts and financial instruments.

According to the new standard, an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. A new revenue recognition model is introduced, by applying the following five steps:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

The performance obligation notion is new and in effect represents a promise in a contract with a customer to transfer to the customer either: (a) a good or service (or a bundle of goods or services) that is distinct; or (b) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

The new IFRS 15 supersedes:

- (a) IAS 11 "Construction Contracts";
- (b) IAS 18 "Revenue";
- (c) IFRIC 13 "Customer Loyalty Programmes";
- (d) IFRIC 15 "Agreements for the Construction of Real Estate";



- (e) IFRIC 18 “Transfers of Assets from Customers”;and
- (f) SIC-31 “Revenue—Barter Transactions Involving Advertising Services”.

On 12.4.2016 the International Accounting Standards Board issued an amendment to IFRS 15 with which it provided clarifications on its application.

### **Impact from the application of IFRS 15**

The Group applies the new standard from 1.1.2018 without restating comparative information for 2017. It is noted that the main part of Group’s income is net interest income which has not been affected by the application of IFRS 15.

In the Group, the contracts that are in the scope of the new standard relate to the provision of the following services:

- Banking services (fees related to the execution of banking operations and to asset management or to loan syndication)
- Management and collection of receivables services
- Real estate services (Valuation Reports and Certification of Projects, Real Estate Management)

For services provided over time, such as management fee income earned for the provision of asset management services (i.e. performance fee income for management of asset portfolio) and real estate management services, income is recognised as the service is being provided to the customer.

If a performance obligation is not satisfied over time, it is satisfied at a point in time. For services such as executing transactions (e.g. currency exchange transactions, customers’ trading in securities) as well as coordinating and arranging syndicated loan transactions, the execution and completion of the transaction requested by the customer signals the point in time, in which the service is transferred to the customer and the revenue is recognized. It is noted that most of the Group’s commissions fall into this category and as result there was no change in the accounting treatment for their recognition due to the application of IFRS 15.

► **Amendment to International Accounting Standard 40 “Investment Property”:** Transfers of Investment Property (Regulation 2018/400/14.3.2018)

On 8.12.2016 the International Accounting Standards Board issued an amendment to IAS 40 with which it clarified that an entity shall transfer a property to, or from, investment property when, and only when, there is a change in use. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. In isolation, a change in management’s intentions for the use of a property does not provide evidence of a change in use. In addition, the examples of evidence of a change in use were expanded to include assets under construction and not only transfers of completed properties.

The adoption of the above amendment had no impact on the Group’s financial statements.

► **Improvements to International Accounting Standards – cycle 2014-2016** (Regulation 2018/182/7.2.2018)

As part of the annual improvements project, the International Accounting Standards Board issued, on 8.12.2016, non- urgent but necessary amendments to IFRS 1 and IAS 28.

The adoption of the above amendments had no impact on the Group’s financial statements.

► **IFRIC Interpretation 22 “Foreign Currency Transactions and Advance Consideration”** (Regulation 2018/519/28.3.2018)

On 8.12.2016 the International Accounting Standards Board issued IFRIC 22. The Interpretation covers foreign currency transactions when an entity recognizes a non monetary asset or liability arising from the payment or receipt of advance consideration before the entity recognizes the related asset, expense or income. The Interpretation clarified that the date of the transaction, for the purpose of determination of exchange rate to use on initial recognition of the asset, the income or expense, is the date of initial recognition of the non monetary asset or liability (i.e. advance consideration). Additionally, if there are multiple payments or receipts in advance, the entity shall determine a date of the transaction for each payment or receipt of advance consideration.

The adoption of the above Interpretation had no impact on the Group’s financial statements.

Except for the standards mentioned above, the European Union has adopted the following new standard and amendments



to standards as well as IFRIC 23 which are effective for annual periods beginning after 1.1.2018 and have not been early adopted by the Group.

► **Amendment to International Financial Reporting Standard 9** “Financial Instruments”: Prepayment Features with Negative Compensation (Regulation 2018/498/22.3.2018)

Effective for annual periods beginning on or after 1.1.2019

On 12.10.2017 the International Accounting Standards Board issued an amendment to IFRS 9 that permits some prepayable financial assets with negative compensation features, that would otherwise been measured at fair value through profit or loss, to be measured at amortised cost or at fair value through other comprehensive income. The amendment to IFRS 9 clarifies that a financial asset passes the SPPI criterion regardless of the event or circumstance that cause the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

The Group is examining the impact from the adoption of the above amendment on its financial statements.

► **International Financial Reporting Standard 16** “Leases” (Regulation 2017/1986/31.10.2017)

Effective for annual periods beginning on or after 1.1.2019

On 13.1.2016 the International Accounting Standards Board issued IFRS 16 “Leases” which supersedes:

- IAS 17 “Leases”
- IFRIC 4 “Determining whether an arrangement contains a lease”
- SIC 15 “Operating Leases – Incentives” and
- SIC 27 “Evaluating the substance of transactions involving the legal form of a lease”.

The new standard significantly differentiates the accounting of leases for lessees while essentially maintaining the existing requirements of IAS 17 for the lessors. In particular, under the new requirements, the classification of leases as either operating or finance is eliminated. A lessee is required to recognize, for all leases with term of more than 12 months, the right-of-use asset as well as the corresponding obligation to pay the lease payments. The above treatment is not required when the asset is of low value.

### Estimated impact from IFRS 16 Implementation

The Group will apply the standard retrospectively with the cumulative effect of initially applying the standard recognized directly in equity as at 1.1.2019 and will not restate comparative information.

The Group has decided to apply the practical expedient and not to reassess on initial application whether a contract is, or contains, a lease and will apply the standard to contracts that were identified as leases in accordance with IAS 17.

Additionally, the Group will make use of the following practical expedients on transition:

- apply a single discount rate to all leases,
- exclude initial direct costs from the measurement of the right-of-use asset,
- use hindsight to determine the lease term if the contract contains options to extend or terminate the lease.

In addition, the Group has elected not to apply the requirements of the standard to leases for which the lease term is less than 12 months (short term), as well to leases for which the underlying asset is of low value when new (less than 5,000 eur).

It is noted that the Group has made assumptions for extension for leases expiring within 2019 that however are expected to be renewed.

The Group in order to determine the incremental borrowing rate (IBR) will use as reference rate the secured funding rate of the parent company Alpha Bank, adjusted for different currencies and taking into consideration government yield curves, where applicable. The Group estimates that on 1.1.2019 right-of-use assets of € 188.93 million, net investment in the lease of € 10.8 million and lease liabilities of € 253.88 million will be recognized. Impact on equity is estimated at € 39 million before tax (€ 27.9 million after tax). The impact on CET is estimated to be 16 basis points.



► **Amendments to International Accounting Standard 19** “Employee Benefits”: Plan Amendment, Curtailment or Settlement (Regulation 2019/402/13.3.2019)

Effective for annual periods beginning on or after 1.1.2019

On 7.2.2018 the International Accounting Standards Board issued an amendment to IAS 19 with which it specified how companies determine pension expenses when changes to a defined benefit pension plan occur. In case that an amendment, curtailment or settlement takes place IAS 19 requires a company to remeasure its net defined benefit liability or asset. The amendments to IAS 19 require specifically a company to use the updated assumptions from this remeasurement to determine current service cost and net interest for the remainder of the reporting period after the change to the plan. In addition, the amendment to IAS 19 clarifies the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling.

The Group is examining the impact from the adoption of the above amendment on its financial statements.

► **Amendment to International Accounting Standard 28** “Investments in Associates”: Long-term Interests in Associates and Joint Ventures (Regulation 2019/237/8.2.2019). Effective for annual periods beginning on or after 1.1.2019

On 12.10.2017 the International Accounting Standards Board issued an amendment to IAS 28 to clarify that long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture —to which the equity method is not applied—should be accounted using IFRS 9, including its impairment requirements. In applying IFRS 9, the entity does not take account of any adjustments to the carrying amount of long-term interests that arise from applying IAS 28.

The Group is examining the impact from the adoption of the above amendment on its financial statements.

► **Improvements to International Accounting Standards** – cycle 2015-2017 (Regulation 2019/412/14.3.2019)

Effective for annual periods beginning on or after 1.1.2019

As part of the annual improvements project, the International Accounting Standards Board issued, on 12.12.2017, non-urgent but necessary amendments to various standards.

The Group is examining the impact from the adoption of the above amendments on its financial statements.

► **IFRIC Interpretation 23** “Uncertainty over Income Tax Treatments” (Regulation 2018/1595/23.10.2018)

Effective for annual periods beginning on or after 1.1.2019

On 7.6.2017 the International Accounting Standards Board issued IFRIC 23. The Interpretation clarifies application of recognition and measurement requirements in IAS 12 when there is uncertainty over income tax treatments. The Interpretation specifically clarifies the following:

- An entity shall determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments based on which approach better predicts the resolution of the uncertainty.
- The estimations for the examination by taxation authorities shall be based on the fact that a taxation authority will examine amounts it has a right to examine and have full knowledge of all related information when making those examinations.
- For the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, an entity shall consider whether it is probable that a taxation authority will accept an uncertain tax treatment.
- An entity shall reassess an estimate if the facts and circumstances change or as a result of new information.

The Group is examining the impact from the adoption of the above Interpretation on its financial statements.

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

► **Amendment to International Financial Reporting Standard 3** “Business Combinations”

Effective for annual periods beginning on or after 1.1.2020

On 22.10.2018 the International Accounting Standards Board issued an amendment to IFRS 3 aimed at resolving the





difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments clarify the minimum requirements to be a business, remove the assessment of a market participant's ability to replace missing elements, narrow the definition of outputs, add guidance to assess whether an acquired process is substantive, introduce an optional fair value concentration test and add illustrative examples.

The Group is examining the impact from the adoption of the above amendment on its financial statements.

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

On 11.9.2014 the International Accounting Standards Board issued an amendment to IFRS 10 and IAS 28 in order to clarify the accounting treatment of a transaction of sale or contribution of assets between an investor and its associate or joint venture. In particular, IFRS 10 was amended in order to be clarified that in case that as a result of a transaction with an associate or joint venture, a parent loses control of a subsidiary, which does not contain a business, as defined in IFRS 3, it shall recognise to profit or loss only the part of the gain or loss which is related to the unrelated investor's interests in that associate or joint venture. The remaining part of the gain from the transaction shall be eliminated against the carrying amount of the investment in that associate or joint venture. In addition, in case the investor retains an investment in the former subsidiary and the former subsidiary is now an associate or joint venture, it recognises the part of the gain or loss resulting from the remeasurement at fair value of the investment retained in that former subsidiary in its profit or loss only to the extent of the unrelated investor's interests in the new associate or joint venture. The remaining part of the gain is eliminated against the carrying amount of the investment retained in the former subsidiary.

In IAS 28, respectively, it was clarified that the partial recognition of the gains or losses shall be applied only when the involved assets do not constitute a business. Otherwise, the total of the gain or loss shall be recognised.

On 17.12.2015, the International Accounting Standards Board deferred the effective date for the application of the amendment that had been initially determined. The new effective date will be determined by the International Accounting Standards Board at a future date after taking into account the results of its project relating to the equity method.

► **International Financial Reporting Standard 14** "Regulatory deferral accounts"

Effective for annual periods beginning on or after 1.1.2016

On 30.1.2014 the International Accounting Standards Board issued IFRS 14. The new standard, which is limited-scope, addresses the accounting treatment and the disclosures required for regulatory deferral accounts that are maintained in accordance with local legislation when an entity provides rate-regulated goods or services. The scope of this standard is limited to first-time adopters that recognized regulatory deferral accounts in their financial statements in accordance with their previous GAAP. IFRS 14 permits these entities to capitalize expenditure that non-rate-regulated entities would recognize as expense.

It is noted that European Union has decided not to launch the endorsement of this standard and to wait for the final standard.

The above standard does not apply to the financial statements of the Group.

► **International Financial Reporting Standard 17** "Insurance Contracts"

Effective for annual periods beginning on or after 1.1.2021

On 18.5.2017 the International Accounting Standards Board issued IFRS 17 which replaces IFRS 4 "Insurance Contracts". In contrast to IFRS 4, the new standard introduces a consistent methodology for the measurement of insurance contracts. The key principles in IFRS 17 are the following:

An entity:

- identifies as insurance contracts those contracts under which the entity accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder;
- separates specified embedded derivatives, distinct investment components and distinct performance obligations from the insurance contracts;



- divides the contracts into groups that it will recognise and measure;
- recognises and measures groups of insurance contracts at:
  - i. a risk-adjusted present value of the future cash flows (the fulfilment cash flows) that incorporates all of the available information about the fulfilment cash flows in a way that is consistent with observable market information; plus (if this value is a liability) or minus (if this value is an asset)
  - ii. an amount representing the unearned profit in the group of contracts (the contractual service margin);
- recognises the profit from a group of insurance contracts over the period the entity provides insurance cover, and as the entity is released from risk. If a group of contracts is or becomes loss-making, an entity recognises the loss immediately;
- presents separately insurance revenue, insurance service expenses and insurance finance income or expenses; and
- discloses information to enable users of financial statements to assess the effect that contracts within the scope of IFRS 17 have on the financial position, financial performance and cash flows of an entity.

It is also noted that in November 2018 the International Accounting Standards Board proposed to defer the IFRS 17 effective date to 1.1.2022.

The Group is examining the impact from the adoption of the above standard on its financial statements.

► **Amendments to International Accounting Standard 1** “Presentation of Financial Statements” and **International Accounting Standard 8** “Accounting Policies, Changes in Accounting Estimates and Errors”: Definition of material Effective for annual periods beginning on or after 1.1.2020

On 31.10.2018 the International Accounting Standards Board issued, as part of the Disclosure Initiative, amendments to IAS 1 and IAS 8 to align the definition of ‘material’ across the standards and to clarify certain aspects of the definition.

The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity. The amendments include examples of circumstances that may result in material information being obscured.

The IASB has also amended the definition of material in the Conceptual Framework to align it with the revised definition of material in IAS 1 and IAS 8.

The Group is examining the impact from the adoption of the above amendment on its financial statements.

## 1.2 Basis of consolidation

The consolidated financial statements include the parent company Alpha Bank, its subsidiaries, associates and joint ventures. The financial statements used to prepare the consolidated financial statements have been prepared as at 31.12.2018 and the accounting policies applied in their preparation, when necessary, were adjusted to ensure consistency with the Group accounting policies.

### a. Subsidiaries

Subsidiaries are entities controlled by the Group.

The Group takes into account the following factors, in assessing control:

- power over the investee,
- exposure, or rights, to variable returns from its involvement with the investee, and
- the ability to use its power over the investee to affect the amount of the investor’s return.

Power arises from currently exercisable rights that provide the Group with the current ability to direct the relevant activities of the investee. In a straightforward case, rights that provide power are derived from voting rights granted by equity instruments such as shares. In other cases, power results from contractual arrangements.

The Group’s returns are considered variable, when these returns have the potential to vary as a result of the investee’s performance. Variability of returns is judged based on the substance of the arrangement, regardless of their legal form.



The Group, in order to evaluate the link between power and returns, assesses whether it exercises its power for its own benefit or on behalf of other parties, thus acting as either a principal or an agent, respectively. If the Group determines that it acts as a principal, then it controls the investee and consolidation is required. Otherwise, control does not exist and there is no requirement to consolidate.

In cases where the power over an investee arises from voting rights, the Group primarily assesses whether it controls the investee through holding more than 50% of the voting rights. However, the Group can have power even if it holds less than 50% of the voting rights of the investee, through:

- a contractual arrangement between the investors and other vote holders,
- rights arising from other contractual arrangements,
- the size of the investor's holding of voting rights relative to the size and dispersion of holdings of the other vote holders,
- potential voting rights.

In cases of structured entities where the voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements (i.e. securitization vehicles or mutual funds), the Group assesses the existence of control based on the following:

- the purpose of the entity and the contractual rights of the parties involved,
- the risks to which the investee was designed to be exposed, the risks it was designed to pass on to the parties involved with the investee and the degree of exposure of the Group to those risks,
- indications of a special relationship with the entity, which suggests that the Group has more than a passive interest in the investee.

Furthermore, regarding the structured entities that are managed by the Group, the Group assesses if it acts as principal or an agent based on the extent of its decision – making authority over the entity's activities, the rights of third parties and the degree of its exposure to variability of returns due to its involvement with the entity.

The Group, based on the above criteria, controls structured entities established for the securitization of loan portfolios.

The Group reassess whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control.

The financial statements of subsidiaries are fully consolidated from the date that control commences until the date that control ceases.

The acquisition method is applied when the Group obtains control of other companies or units that meet the definition of a business. Application of the acquisition method requires identifying the acquirer, determining the acquisition date and measuring the consideration transferred, the identifiable assets acquired, the liabilities assumed and any non controlling interest in the acquiree, in order to determine the amount of goodwill or gain arising from the business combination.

The consideration transferred is measured at fair value on acquisition date. Consideration includes also the fair value of any contingent consideration. The obligation to pay contingent consideration is recognized as a liability or as an equity component, in accordance with IAS 32. The right to the return of a previously transferred consideration is classified as an asset, if specified conditions are met. Subsequently, and to the extent that changes in the value of the contingent consideration do not constitute measurement period adjustments, contingent consideration is measured as follows:

- In case it has been classified in equity, it is not re-measured.
- In all other cases it is measured at fair value through profit or loss.

The identifiable assets acquired and liabilities assumed are initially recognised on acquisition date at their fair value, except from specific assets or liabilities for which a different measurement basis is required. Any non controlling interests are recognised at either fair value or at their proportionate share in the acquiree's identifiable net assets, as long as they are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation. Otherwise, they are measured at their acquisition date fair values.



Any difference between:

- a. the sum of the consideration transferred, the fair value of any previously held equity interest of the Group in the acquiree and the amount of any non – controlling interests, and
- b. the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed,

is recognised as goodwill if the above difference is positive or as a gain in profit or loss if the difference is negative.

During the measurement period, the provisional amounts recognized at the acquisition date are adjusted in order to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognized as of that date. These adjustments affect accordingly the amount of goodwill. The measurement period ends as soon as the information about facts and circumstances existed as of the acquisition date has been obtained. However, the measurement period shall not exceed one year from the acquisition date.

When the Group's interest in a subsidiary increases as a result of an acquisition, the difference between the consideration paid and the share of net assets acquired is recognized directly in retained earnings.

Sales of ownership interests in subsidiaries that do not result in a loss of control for the Group are accounted for as equity transactions and the gain or loss arising from the sale is recognized directly in retained earnings.

Intercompany transactions are eliminated, unless the transaction provides evidence of impairment of the asset transferred, in which case, it is recognized in the consolidated balance sheet.

#### **b. Associates**

Associates are entities over which the Group has significant influence but not control. Significant influence is generally presumed to exist when the Group holds, directly or indirectly, more than 20% of the share capital of the company concerned without having control or joint control, unless the ownership of more than 20% does not ensure significant influence, e.g. due to lack of representation of the Group in the company's Board of Directors or due to the Group's non-participation in the policy making process.

Investments in associates are accounted for using the equity method of accounting. The investment is initially recognised at cost and adjusted thereafter for the post acquisition change in the Group's share of net assets of the associate. In case the losses according to the equity method exceed the investment in ordinary shares, they are recognized as a reduction of other elements that are essentially an extension of the investment in the associate.

The Group's share of the associate's profit or loss and other comprehensive income is separately recognized in the income statement and in the statement of comprehensive income, accordingly.

#### **c. Joint ventures**

The Group applies IFRS 11 which deals with the accounting treatment of interests in joint arrangements. All joint arrangements in which the Group participates and has joint control are joint ventures, which are accounted for by using the equity method.

A detailed list of all Group subsidiaries, associates and joint ventures, as well as the Group's ownership interest in them, is provided in note 40.

### **1.3 Operating Segments**

Operating segments are determined and measured based on the information provided to the Executive Committee of the Bank, which is the body responsible for the allocation of resources between the Group's operating segments and the assessment of their performance.

Based on the above, and given the Group's administrative structure and activities, the following operating segments have been determined:

- Retail Banking



- Corporate Banking
- Asset Management and Insurance
- Investment Banking and Treasury
- South Eastern Europe
- Other

Since the Group operates in various geographical areas, apart from the operating segments identified above, the financial statements contain information based on the below distinction:

- Greece
- Other Countries

It is noted that the methods used to measure operating segments for the purpose of reporting to the Executive Committee are not different from those required by the International Financial Reporting Standards.

Detailed information relating to operating segments is provided in note 42.

## **1.4 Transactions in foreign currency and translation of foreign operations**

### **a. Transactions in foreign currency**

The consolidated financial statements are presented in Euro, which is the functional currency and the currency of the country of incorporation of the parent company Alpha Bank.

Items included in the financial statements of the subsidiaries are measured in the functional currency of each subsidiary which is the currency of the company's country of incorporation or the currency used in the majority of the transactions held.

Transactions in foreign currencies are translated into the functional currency of each subsidiary at the closing exchange rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the closing exchange rate at the balance sheet date. Foreign exchange differences arising from the translation are recognized in the income statement.

Non-monetary assets and liabilities are translated using the rate of exchange at the transaction date, except for non-monetary items denominated in foreign currencies that are measured at fair value which are translated at the exchange rate of the date that the fair value is determined. The exchange differences relating to these items are part of the change in fair value and they are recognized in the income statement or recorded directly in equity depending on the classification of the non-monetary item.

### **b. Translation of foreign operations**

The financial statements of all group entities that have a functional currency that is different from the presentation currency of the Group financial statements are translated as follows:

- i. Assets and liabilities are translated to Euro at the closing rate applicable on the balance sheet date. The comparative figures presented are translated to Euro at the closing rates at the respective date of the comparative balance sheet.
- ii. Income and expense items are translated to Euro at average exchange rates applicable for each period presented.

The resulting exchange difference from the retranslation and those arising from other monetary items designated as a part of the net investment in the entity are recorded in equity. When a foreign entity is sold, the exchange differences are reclassified to the income statement as part of the gain or loss on sale.

## **1.5 Cash and cash equivalents**

For the purposes of the consolidated cash flow statement, cash and cash equivalents consists of:



- a. Cash on hand
- b. Non-restricted balances with Central Banks and
- c. Short-term balances due from banks and Reverse Repo agreements

Short-term balances are amounts that mature within three months of the balance sheet date.

Non-restricted placements with Central Banks, short-term balances due from banks and Reverse Repo agreements are measured at amortised cost.

## 1.6 Classification and measurement of financial instruments

### Initial recognition

The Group recognises financial assets or financial liabilities in its statement of financial position when it becomes a party to the terms of the contract.

At initial recognition the Group measures financial assets and liabilities at fair values. Financial instruments not measured at fair value through profit or loss are initially recognised at fair value plus transaction costs and minus income or fees that are directly attributable to the acquisition or issue of the financial instrument.

Regular way purchases and sales of financial instruments are recognized at the settlement date with the exception of equity shares and derivatives that are recognized on trade date. For bonds that are measured at fair value, the change in fair value during the period between the trade date and the settlement date is recognized in profit or loss or in other comprehensive income based on the bond's classification category.

### Subsequent measurement of financial assets

The Group classifies its financial assets as:

- Financial assets measured at amortised cost
- Financial assets measured at fair value through other comprehensive income, with gains or losses recycled to profit or loss on derecognition
- Equity instruments measured at fair value through other comprehensive income, with no recycling of gains or losses to profit or loss on derecognition
- Financial assets measured at fair value through profit or loss.

For each of the above categories the following apply:

#### a) Financial assets measured at amortised cost

In this category are classified the financial assets that satisfy both of the following criteria:

- are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows,
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The above category is measured at amortised cost using the effective interest method and is periodically assessed for expected credit losses, as it is further described in notes 1.14 and 1.15.

#### b) Financial assets measured at fair value through other comprehensive income, with gains or losses recycled to profit or loss on derecognition

In this category are classified the financial assets that satisfy both of the following criteria:

- are held within a business model whose objective is a both to collect contractual cash flows and selling financial assets,
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.



The above category is periodically assessed for expected credit losses, as it is further described in notes 1.14 and 1.15.

**c) Equity instruments measured at fair value through other comprehensive income, with no recycling of gains or losses to profit or loss on derecognition**

In this category are classified equity instruments that are neither held for trading nor contingent consideration recognised by an acquirer in a business combination and that Group decides, at initial recognition, to measure at fair value through other comprehensive income. This decision is irrevocable. With the exception of dividends, which are directly recognized in profit or loss, all other gains and losses arising from those instruments are directly recognized in other comprehensive income and are not reclassified to profit or loss. For those equity instruments there is no impairment assessment.

**d) Financial assets measured at fair value through profit or loss**

Financial assets included in this category are:

- i. those acquired principally for the purpose of selling in the near term to obtain short term profit (held for trading).

The Group has included in this category bonds, treasury bills and a limited number of shares.

- ii. those that do not meet the criteria to be classified into one of the above categories
- iii. those the Group designated, at initial recognition, as at fair value through profit or loss. This classification option, which is irrevocable, is used when the designation eliminates an accounting mismatch which would otherwise arise from measuring financial assets and liabilities on a different basis (i.e. amortised cost) in relation to another financial asset or liability (i.e. derivatives which are measured at fair value through profit or loss).

As at the reporting date, the Group had not designated, at initial recognition, any financial assets as at fair value through profit or loss.

**Business Model assessment**

The business model reflects how the Group manages its financial assets in order to generate cash flows. That is, the Group's business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both. The Group's business model is determined at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. Accordingly, business model does not depend on management's intentions for an individual instrument but it is determined on a higher level of aggregation.

The business models of the Group are determined by the Asset Liability Committee (ALCO) or the Executive Committee (ExCo) which decide on the determination of the business model both for the loans and advances to customers and the securities portfolio. In this context:

- Loans and advances to customers and due from banks are included in the business model whose objective is to hold financial assets in order to collect contractual cash flows (hold to collect)
- For bonds and in general for fixed income investments, the Group has identified the following business models:
  - Business model whose objective is to hold financial instruments in order to collect their contractual cash flows (hold to collect)
  - Business model that aims both at collecting contractual cash flows and selling (hold to collect and sell)
  - Trading portfolio.

The determination of the above business models has been based on:

- The way the performance of the business model and the financial assets held within that business model are evaluated and reported to the Group key management personnel.
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, specifically, the way those risks are managed.
- The way the managers are evaluated (e.g., whether the evaluation is based on the fair value of the assets managed or the contractual cash flows collected).



- Past and expected frequency and value of sales from the portfolio

The Group, at each reporting date, reassesses its business models in order to confirm that there has been no change compared to the prior period or application of a new business model. In the context of the reassessment of the hold to collect business model past sales as well as expected future sales are taken into account. In this assessment, the following cases of sales are considered consistent with a hold to collect business model:

- a) Sales of non performing loans due to the credit deterioration of the debtor, excluding those sales of loans considered as credit impaired at origination.
- b) Sales made close to the maturity of the financial assets so that the proceeds from the sales approximate the collection of the remaining contractual cash flows. In these cases, the Group defines as 'close', what is less than 5% of the total life of the instrument remaining at the time of sale.
- c) Sales (excluding a and b) which are infrequent (even if significant in value) or insignificant in value both individually and in aggregate (even if frequent). The Group has defined the following thresholds:
  - Significance: Sales exceeding 5% the previous reporting period gross balance of the respective portfolio
  - Frequency: Significant sale transactions occurring more than twice a year.

### **Solely Payments of Principal and Interest (SPPI) assessment of the contractual cash flows**

For the purposes of applying the SPPI assessment:

- Principal is the fair value of the asset at initial recognition, which may change over the life of the financial asset (for example if there are repayments of principal).
- Interest is the consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks (i.e. liquidity risk) and costs, as well as a profit margin.

Contractual terms that introduce exposure to risks and volatility in the contractual cash flows that are not related to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.

In this context, in assessing whether contractual cash flows are SPPI, the Group assesses whether the instrument contain contractual terms that change the timing or amount of contractual cash flows. More specifically, the following are taken into account:

- Leveraged payments
- Payments linked with the variability in exchange rates
- Conversion to equity terms
- Interest rates indexed to non-interest variables
- Prepayment or extension options
- Terms that limit the Group's claim to the cash flows from specified assets or based on which the Group has no contractual right to unpaid amounts
- Interest-free deferred payments
- Terms based on which the performance of the instruments is affected by equity or commodity prices

Especially in the case of financing of a special purpose vehicle, in order for the loan to meet the criterion that its cash flows are solely payments of principal and interest on the principal amount outstanding, among other, at least one of the following conditions should apply:

- At initial recognition, LTV (Loan to Value) shall not exceed the threshold of 80% or LLCR (Loan Life Coverage Ratio) shall be at least equal to the threshold of 1.25.
- The equity of the special purpose vehicle shall amount to at least 20% of its total assets.





- There are sufficient collaterals that are not related to the asset being funded.

In addition, in determining whether contractual cash flows are solely payments of principal and interest on the principal amount outstanding, it is assessed whether time value of money element has been modified. Time value of money is the element of interest that provides consideration for only the passage of time. That is, the time value of money element does not provide consideration for other risks or costs associated with holding the financial asset. However, in some cases, the time value of money element may be modified. That would be the case, for example, if a financial asset's interest rate is periodically reset but the frequency of that reset does not match the tenor of the interest rate or if a financial asset's interest rate is periodically reset to an average of particular short- and long-term interest rates. In such cases, the Group assesses the modification to determine whether the contractual cash flows represent solely payments of principal and interest on the principal amount outstanding. The objective of the assessment is to determine how different the contractual (undiscounted) cash flows could be from the (undiscounted) cash flows that would arise if the time value of money element was not modified (benchmark test). The effect of the modified time value of money element must be considered in each reporting period and cumulatively over the life of the instrument. If the Group concludes that the contractual (undiscounted) cash flows could be significantly different from the (undiscounted) benchmark cash flows, the contractual cash flows are not solely payments of principal and interest on the principal amount outstanding. According to the policy set by the Group, the above assessment test does not result in significant different contractual cash flows when the cumulative difference over the life of the instrument does not exceed 10% and at the same time the number of individual cash flows with a difference of more than 10% do not exceed 5% of total reporting periods of the asset until maturity.

### **Reclassification of financial assets**

Reclassifications of financial assets between measurement categories occur when, and only when, the Group changes its business model for managing the assets. In this case the reclassification is applied prospectively. Changes in the business model of the Group are expected to be rare. They arise from decisions of the Asset Liability Committee (ALCO) or the Executive Committee (ExCo) as a result of external or internal changes which must be significant to the entity's operations and demonstrable to external parties.

If the Group reclassifies a financial asset out of the amortised cost measurement category and into the fair value through profit or loss measurement category, its fair value is measured at the reclassification date. Any gain or loss arising from a difference between the previous amortised cost of the financial asset and fair value is recognized in profit or loss. The same happens if the Group reclassifies a financial asset out of the amortised cost measurement category and into the fair value through other comprehensive income measurement category, however in this case the difference between the previous amortised cost of the financial asset and fair value is recognized in other comprehensive income. The effective interest rate and the measurement of expected credit losses are not adjusted as a result of the reclassification. However, the loss allowance would be derecognized (and thus would no longer be recognized as an adjustment to the gross carrying amount) but instead would be recognized as an accumulated impairment amount in other comprehensive income.

If the Group reclassifies a financial asset out of the fair value through profit or loss measurement category and into the amortised cost measurement category, its fair value at the reclassification date becomes its new gross carrying amount. At this date, the effective interest rate of the asset is calculated while the date of the reclassification is treated as the date of initial recognition for impairment calculation purposes.

If the Group reclassifies a financial asset out of the fair value through profit or loss measurement category and into the fair value through other comprehensive income measurement category, the financial asset continues to be measured at fair value. As in the above case, at this date, the effective interest rate of the asset is calculated while the date of the reclassification is treated as the date of initial recognition for impairment calculation purposes.

If a financial asset is reclassified out of the fair value through other comprehensive income measurement category and into the amortised cost measurement category, the asset is reclassified at its fair value at the measurement date. However, the cumulative gain or loss previously recognized in other comprehensive income is reversed and adjusted against the fair value of the financial asset at the reclassification date. As a result, the financial asset is measured at the reclassification date as if it had always been measured at amortised cost. This reversal affects other comprehensive income but does not affect



profit or loss and therefore is not a reclassification adjustment under IAS 1. The effective interest rate and the calculation of expected credit losses are not affected. However, the loss allowance is recognized as an adjustment to the gross carrying amount of the financial asset from the reclassification date.

If the Group reclassifies a financial asset out of the fair value through other comprehensive income measurement category and into the fair value through profit or loss measurement category, the financial asset continues to be measured at fair value. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment (in accordance with IAS 1) at the reclassification date.

### **Derecognition of financial assets**

The Group derecognizes financial assets when:

- the contractual rights to the assets cash flows expire,
- the contractual right to receive the cash flows of the financial assets are transferred and at the same time all the risks and rewards of ownership are substantially transferred,
- loans or investments in securities are no longer recoverable and consequently are written off,
- the contractual cash flows of the assets are significantly modified.

In the case of transactions where despite the transfer of the contractual right to receive the cash flows from financial assets both the risk and rewards remain with the Group, no derecognition of these financial assets occurs. The amount received by the transfer is recognized as a financial liability. The accounting practices followed by the Group in such transactions are discussed in notes 1.22 and 1.23.

In the case of transactions, whereby the Group neither retains nor transfers risks and rewards of the financial assets, but retains control over them, the financial assets are recognized to the extent of the Group's continuing involvement. If the Group does not retain control of the assets then they are derecognised, and in their position the Group recognizes, distinctively, the assets and liabilities which are created or retained during the transfer. No such transactions occurred upon balance sheet date. In case of a change in the contractual terms of a financial asset, the change is considered significant and therefore it results in the derecognition of the original financial asset and the recognition of a new one when one of the following criteria is met:

- Change of issuer/debtor
- Change in denomination currency
- Consolidation of different types of contracts
- Consolidation of contracts that do not entirely satisfy the criterion that cash flows are solely payments of principal and interest on the principal amount outstanding
- Addition or deletion of equity conversion terms
- Separation of a non-SPPI debt instrument into two or more new instruments so that the reason that leads to SPPI failure of the original instrument is not included in all of the new instruments.
- Significant modifications occurring due to the commercial renegotiation of the contractual terms of performing borrowers.

In case of derecognition due to significant modification, the difference between the carrying amount of the original asset and the fair value of the new asset is directly recognized in the Income Statement, as specifically mentioned in notes 1.28 and 1.29. Additionally, in case the original asset was measured at fair value through other comprehensive income, the cumulative gains or losses recognized in other comprehensive income are recycled to profit or loss.

In contrast, if the change in contractual cash flows is not significant, the gross carrying amount of the asset is recalculated by discounting new contractual cash flows with the original effective interest rate and the difference compared to the current gross carrying amount is directly recognized in profit or loss (modification gain or loss) in the line item "Impairment losses and provisions to cover credit risk". Fees related to the modification adjust the carrying amount of the asset and are amortised over the remaining term of the modified financial asset through the effective interest method.



### Subsequent measurement of financial liabilities

The Group classifies financial liabilities in the following categories for measurement purposes:

#### a) Financial liabilities measured at fair value through profit or loss

- i. This category includes financial liabilities held for trading, that is:
  - financial liabilities acquired or incurred principally with the intention of selling or repurchasing in the near term for short term profit, or
  - derivatives not used for hedging purposes. Liabilities arising from either derivatives held for trading or derivatives used for hedging purposes are presented as “derivative financial liabilities” and are measured according to the principles set out in note 1.7.
- ii. this category also includes financial liabilities which are designated by the Group as at fair value through profit or loss upon initial recognition, when:
  - doing so results in more relevant information, because either:
    - it eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases; or
    - a group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the Group’s key management personnel; or
  - the contract contains one or more embedded derivatives and the Group measures the compound financial instrument as a financial liability measured at fair value through profit or loss unless:
    - the embedded derivative does not significantly modify the cash flows that otherwise would be required by the contract or
    - it is clear with little or no analysis when a similar hybrid instrument is first considered that the separation of the embedded derivative(s) is prohibited.

It is noted that in the above case, the amount of the change in fair value attributable to the Group’s credit risk is recognized in other comprehensive income, unless this treatment would create or enlarge an accounting mismatch in profit or loss. Amounts recognized in other comprehensive income are never recycled to profit or loss.

In the context of the acquisition of Emporiki Bank, the Group issued a bond which was classified in the above mentioned category. The bond was converted into shares in the first quarter of the preceding year.

#### b) Financial liabilities carried at amortised cost

The liabilities classified in this category are measured at amortised cost using the effective interest method.

Liabilities to credit institutions and customers, debt securities issued by the Group and other loan liabilities are classified in this category.

In cases when financial liabilities included in this category are designated as the hedged item in a hedge relationship, the accounting principles applied are those set out in note 1.7.

#### c) Liabilities arising from financial guarantees and commitments to provide loans at a below market interest rate

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make a payments when due in accordance with the agreed terms.

The financial guarantee contracts and the commitments to provide loans at a below market interest rate are initially recognized at fair value, and measured subsequently at the higher of:

- the amount of the provision determined during expected credit loss calculation (note 1.14),



- the amount initially recognised less cumulative amortization which is calculated based on the term of the instrument.

**d) Financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies**

In the first case the liability should be equal to the amount received during the transfer while in the second case it should be measured in such a way that the net carrying amount of the transferred asset and the associated liability is:

- The amortised cost of the rights and obligations retained by the Group, if the transferred asset is measured at amortised cost or
- Equal to the fair value of the rights and obligations retained by the Group when measured on a stand-alone basis, if the transferred asset is measured at fair value.

**e) Contingent consideration recognized by an acquirer in a business combination**

Such contingent consideration is subsequently measured at fair value with changes recognized in profit or loss.

**Derecognition of financial liabilities**

Financial liabilities (or part thereof) are derecognized when the contractual obligation is been discharged, cancelled or expires.

When a financial liability is exchanged for another liability with substantially different terms, the exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new one. The same applies in cases of a substantial modification of the terms of an existing financial liability or a part of it (whether or not attributable to the financial difficulty of the debtor). The terms are considered substantially different if the discounted present value of the cash flows under the new terms (including any fees paid net of any fees received), discounted using the original effective interest rate, is at least 10% different from the present value of the remaining cash flows of the original financial liability.

In cases of derecognition, the difference between the carrying amount of the financial liability (or part of the financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

**Offsetting financial assets and financial liabilities**

Financial assets and liabilities are offset and the amount are reported net on the balance sheet, only in cases when the Group has the legally enforceable right to offset recognized amounts and there is the intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

## **1.7 Derivative financial instruments and hedge accounting**

**Derivative financial instruments**

Derivatives are financial instruments that upon inception have a minimal or zero fair value that subsequently changes in accordance with a particular underlying instrument or indices defined in the contract (foreign exchange, interest rate, index or other variable).

All derivatives are recognized as assets when their fair value is positive and as liabilities when their fair value is negative.

Derivatives are entered into for either hedging or trading purposes and they are measured at fair value irrespective of the purpose for which they have been transacted.

In case a derivative is embedded in a financial asset, the embedded derivative is not separated and the hybrid contract is accounted for based on the classification requirements mentioned in note 1.6.

In case a derivative is embedded in a host contract, other than a financial asset, the embedded derivative is separated and measured at fair value through profit or loss when the following conditions are met:



- the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host,
- a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and
- the hybrid contract is not measured at fair value with changes in fair value recognised in profit or loss.

The Group uses derivatives as a means of exercising Asset-Liability management within the guidelines established by the Asset-Liability Committee (ALCO).

In addition the Group uses derivatives for trading purposes to exploit short-term market fluctuations, within the Group risk level set by the Asset-Liability Committee (ALCO).

Valuation differences arising from derivatives are recognized in Gains less losses on financial transactions and impairments on Group companies except when derivatives participate in hedging relationships in which case the principles for hedge accounting mentioned below apply.

When the Group uses derivatives for hedging purposes hedge relationships are formally designated and documented at inception and effectiveness is monitored on an ongoing basis at each balance sheet date.

We emphasize the following:

#### **a. Synthetic Swaps**

The parent company (Alpha Bank), in order to increase the return on deposits to selected customers, uses synthetic swaps.

This involves the conversion of a Euro deposit to JPY or other currency with a simultaneous forward purchase of the related currency to cover the foreign exchange exposure.

The result arising from the forward transaction is recognized as interest expense, which is included in deposits' interest expense, foreign exchange differences and other gains less losses on financial transactions.

#### **b. FX Swaps**

These types of swaps are entered into primarily to economically hedge the exposures arising from customer loans and deposits.

For those cases for which no hedge accounting is applied, swaps are accounted for as trading instruments.

The result arising from these derivatives is recognized as interest and foreign exchange differences, in order to match with the interest element and foreign exchange differences resulting from the deposits and loans, and as other gains less losses on financial transactions.

#### **Hedge accounting**

Hedge accounting establishes the valuation rules to offset the gain or loss of the fair value of a hedging instrument and a hedged item which would not have been possible if the normal measurement principles were applied. It is noted that the Group has opted to continue to apply the provisions for hedge accounting of IAS 39.

Documentation of the hedging relationship upon inception and of the effectiveness of the hedge on an on-going basis are the basic requirements for the adoption of hedge accounting.

The hedge relationship is documented upon inception and the hedge effectiveness test is carried out upon inception and is repeated at each reporting date.

A hedge is regarded as highly effective only if both of the following conditions are met:

- at the inception of the hedge and in subsequent periods the hedge is expected to be highly effective in achieving offsetting changes in fair value or cash flows attributable to the hedged risk during the period for which the hedge is designated,
- the results of the hedge are within a range of 80%-125% of the results of the hedged item.



### **a. Fair value hedges**

A fair value hedge of a financial instrument offsets the change in the fair value of the hedged item in respect of the risks being hedged.

Changes in the fair value of both the hedging instrument and the hedged item, in respect of the specific risk being hedged, are recognized in the income statement.

When the hedging relationship no longer exists, the hedged items continue to be measured based on the classification and valuation principles set out in note 1.6. Specifically any adjustment, due to the fair value change of a hedged item for which the effective interest method is used, up to the point that the hedging relationship ceases to be effective, is amortised to interest income or expense based on a recalculated effective interest rate, over its remaining life.

The Group uses interest rate swaps (IRS's) to hedge risks relating to borrowings and loans.

### **b. Cash flow hedge**

A cash flow hedge changes the cash flows of a financial instrument from a variable rate to a fixed rate.

The effective portion of the gain or loss on the hedging instrument is recognized directly in other comprehensive income, in cash flow hedge reserve, whereas the ineffective portion is recognized in gains less losses on financial transactions and impairments on Group companies. The accounting treatment of the hedged item does not change.

When the hedging relationship is discontinued, the amount recognized in equity remains there separately until the cash flows or the future transaction occur. When the cash flows or the future transaction occur the following apply:

- If the result is the recognition of a financial asset or a financial liability, the amount is reclassified to profit or loss in the same periods during which the hedged forecast cash flows affect profit or loss.
- If the result is the recognition of a non-financial asset or a non-financial liability or a firm commitment for which fair value hedge accounting is applied, the amount recognized in equity either is reclassified to profit or loss in the same periods during which the asset or the liability affect profit or loss or adjusts the carrying amount of the asset or the liability.

When a forecasted transaction or the expected cash flows are no longer expected to occur, the cumulative gain or loss that was recognized in equity is reclassified to profit or loss.

The Group applies cash flow hedge accounting for specific groups of term deposits as well as for the currency risk of specific assets. The amount that has been recognized in equity, as a result of revoked cash flow hedging relationships for term deposits, is linearly amortised in the periods during which the hedged cash flows from the aforementioned term deposits affect profit or loss.

### **c. Hedges of net investment in a foreign operation**

The Group uses foreign exchange derivatives or borrowings to hedge foreign exchange risks arising from investment in foreign operations.

Hedge accounting of net investment in a foreign operation is similar to cash flow hedge accounting. The cumulative gain or loss recognized in equity is reversed and recognized in profit or loss, at the time that the disposal of the foreign operation takes place.

## **1.8 Fair Value Measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability.

The Group measures the fair value of assets and liabilities traded in active markets based on available quoted market prices. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.



Especially, for the measurement of securities, the Group uses a particular range of prices, within the bid-ask spread, in order to characterize the prices as prices of an active market (the difference between bid and ask prices quoted should not exceed 1.5/100 nominal value). Furthermore, if quoted market prices are not available on the measurement date, but they are available during the three last working days of the reporting period and there are quoted prices for 15 working days during the last month of the reporting period and the criteria of the bid-ask spread is met, then the market is considered to be active.

The fair value of financial instruments that are not traded in an active market is determined by the use of valuation techniques, appropriate in the circumstances, and for which sufficient data to measure fair value are available, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. If observable inputs are not available, other model inputs are used which are based on estimations and assumptions such as the determination of expected future cashflows, discount rates, probability of counterparty default and prepayments. In all cases, the Group uses the assumptions that 'market participants' would use when pricing the asset or liability, assuming that market participants act in their economic best interest. Assets and liabilities which are measured at fair value or for which fair value is disclosed are categorized according to the inputs used to measure their fair value as follows:

- Level 1 inputs: quoted market prices (unadjusted) in active markets
- Level 2 inputs: directly or indirectly observable inputs
- Level 3 inputs: unobservable inputs used by the Group, to the extent that relevant observable inputs are not available

In particular, the Group applies the following:

### Financial instruments

For financial instruments the best evidence of fair value at initial recognition is the transaction price, unless the fair value can be derived by other observable market transactions relating to the same instrument, or by a valuation technique using mainly observable inputs. In these cases, if the fair value differs from the transaction price, the difference is recognized in the statement of comprehensive income. In all other cases, fair value is adjusted to defer the difference with the transaction price. After initial recognition, the deferred difference is recognized as a gain or loss only to the extent that it arises from a change in a factor that market participants would take into account when pricing the instrument.

When measuring fair value, the Group takes into consideration the effect of credit risk. Specifically, for derivative contracts, the Group estimates the credit risk of both counterparties (bilateral credit valuation adjustments).

The Group measures fair value for all assets and liabilities separately. Regarding derivative exposures, however, that the Group manages as a group on a counterparty basis and for which it provides information to the key management personnel, the fair value measurement for credit risk is performed based on the net risk exposure per counterparty. Credit valuation adjustments arising from the aforementioned process are allocated to either assets or liabilities, depending on whether the net exposure to the counterparty is long or short respectively.

Furthermore, the fair value of deposit accounts with a demand feature (such as saving deposits) is no less than the amount payable on demand, discounted from the first date that the amount could be required to be paid.

The principal inputs to the valuation techniques used by the Group are:

- Bond prices - quoted prices available for government bonds and certain corporate securities.
- Credit spreads - these are derived from active market prices, prices of credit default swaps or other credit based instruments, such as debt. Values between and beyond available data points are obtained by interpolation and extrapolation.
- Interest rates - these are principally benchmark interest rates such as the LIBOR, OIS and other quoted interest rates in the swap, bond and futures markets. Values between and beyond available data points are obtained by interpolation and extrapolation.
- Foreign currency exchange rates - observable markets both for spot and forward contracts and futures.
- Equity and equity index prices - quoted prices are generally readily available for equity shares listed on stock exchanges and for major indices on such shares.



- Price volatilities and correlations - Volatility and correlation values are obtained from pricing services or derived from option prices.
- Unlisted equities - financial information specific to the company or industry sector comparables.
- Mutual Funds- for open-ended investments funds listed on a stock exchange the published daily quotations of their net asset values (NAVs).
- Loans and Deposits- market data and Bank/customer specific parameters.

### **Non financial assets and liabilities**

The most important category of non financial assets for which fair value is estimated is real estate property.

The process, mainly, followed for the determination of the fair value is summarized below:

- Assignment to the engineer - valuer
- Case study- Setting of additional data
- Autopsy - Inspection
- Data processing - Calculations
- Preparation of the valuation report

To derive the fair value of the real estate property, the valuer chooses among the three following valuation techniques:

- Market approach (or sales comparison approach), which measures the fair value by comparing the property to other identical ones for which information on transactions is available.
- Income approach, which capitalizes future cash flows arising from the property using an appropriate discount rate.
- Cost approach, which reflects the amount that would be required currently to replace the asset with another asset with similar specifications, after taking into account the required adjustment for impairment.

Examples of inputs used to determine the fair value of properties and which are analysed to the individual valuations, are the following:

- Commercial property: price per square meter, rent growth per annum, long-term vacancy rate, discount rate, expense rate of return, lease term, rate of non leased properties/units for rent.
- Residential property: Net return, reversionary yield, net rental per square meter, rate of continually non leased properties/units, expected rent value per square meter, discount rate, expense rate of return, lease term etc.
- General assumptions such as the age of the building, residual useful life, square meter per building etc are also included in the analysis of the individual valuation assessments.

It is noted that the fair value measurement of a property takes into account a market's participant ability to generate economic benefits by using the asset in it's highest and best use or by selling it to another market participant that would use the asset in it's highest and best use.

### **1.9 Property, Plant and Equipment**

This caption includes: land, buildings used by branches or for administrative purposes, additions and improvements of leased property and equipment.

Property, plant and equipment are initially recognised at cost which includes any expenditure directly attributable to the acquisition of the asset.

Subsequently, property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Subsequent expenditure is recognized on the carrying amount of the item when it increases future economic benefit.

Expenditure on repairs and maintenance is recognized in profit or loss as an expense as incurred.





Depreciation is charged on a straight line basis over the estimated useful lives of property, plant and equipment and it is calculated on the asset's cost minus residual value.

The estimated useful lives are as follows:

- Buildings: up to 50 years
- Additions to leased fixed assets and improvements: duration of the lease
- Equipment and vehicles: up to 40 years

Land is not depreciated but is tested for impairment.

The right to use of land for indefinite period that is held by Alpha Real Estate D.O.O. Belgrade, a subsidiary of the Group, is recorded as land and is not depreciated. It is noted that on 28.11.2017 the aforementioned company was sold.

The residual value of property and equipment and their useful lives are periodically reviewed and adjusted if necessary at each reporting date.

Property, plant and equipment are reviewed at each reporting date to determine whether there is an indication of impairment and if they are impaired the carrying amount is adjusted to its recoverable amount with the difference recorded in profit or loss.

Gains and losses from the sale of property and equipment are recognized in profit or loss.

### **1.10 Investment property**

The Group includes in this category buildings or portions of buildings together with their respective portion of land that are held to earn rental income.

Investment property is initially recognised at cost which includes any expenditure directly attributable to the acquisition of the asset.

Subsequently investment property is measured at cost less accumulated depreciation and impairment losses.

Subsequent expenditure is recognized on the carrying amount of the item when it increases future economic benefit. All costs for repairs and maintenance are recognized in profit or loss as incurred.

The estimated useful lives over which depreciation is calculated using the straight line method are the same as those applied to property, plant and equipment.

Transfers to and from the category of investment property are made when the property meets (or ceases to meet) the definition of investment property and there is evidence of change in its use. In particular, the property is reclassified in "Property, plant and equipment" if the Group decides to use it while it is reclassified in the category of property held for sale if a decision is taken to sell it and if the criteria referred to in paragraph 1.18 are met. Conversely, property not classified as "Investment Property" is transferred to this category in case a decision for its lease is made.

### **1.11 Goodwill and other intangible assets**

#### **Goodwill**

Goodwill represents the difference between the cost of an acquisition as well as the value of non-controlling interests and the fair value of the assets and liabilities of the entity acquired, as at the acquisition date.

Positive goodwill arising from acquisitions after 1/1/2004 is recorded to "Goodwill and other intangible assets", if it relates to the acquisition of a subsidiary, and it is tested for impairment at each balance sheet date. Goodwill on acquisitions of associates or joint ventures is included in "Investment in associates and joint ventures".

Negative goodwill is recognized in profit or loss.

#### **Other intangible assets**

The Group has included in this caption:



a) Intangible assets which are recognized from business combinations in accordance with IFRS 3 or which were individually acquired. The intangible assets are carried at cost less accumulated amortization and impairment losses.

Intangible assets include the value attributed to the acquired customer relationships, deposit bases and mutual funds management rights. Their useful life has been determined from 2 to 9 years.

b) Software, which is measured at cost less accumulated amortization and impairment losses. The cost of separately acquired software comprises of its purchase price and any directly attributable cost of preparing the software for its intended use, including employee benefits or professional fees. The cost of internally generated software comprises of expenditure incurred during the development phase, including employee benefits arising from the generation of the software. Amortization is charged over the estimated useful life of the software which the Group has estimated between 1 to 15 years. Expenditure incurred to maintain software programs is recognized in the income statement as incurred. Software that is considered to be an integral part of hardware (hardware cannot operate without the use of the specific software) is classified in property, plant and equipment.

c) Brand names and other rights are measured at cost less accumulated amortization and impairment losses. The amortization is charged over the estimated useful life.

Intangible assets are amortised using the straight line method, excluding those with indefinite useful life, which are not amortised. All intangible assets are tested for impairment.

No residual value is estimated for intangible assets.

## 1.12 Leases

The Group enters into leases either as a lessee or as a lessor.

When the risks and rewards incident to ownership of an asset are transferred to the lessee they are classified as finance leases.

All other lease agreements are classified as operating leases.

The accounting treatment followed depends on the classification of the lease, which is as follows:

### a) When the Group is the lessor

#### i. Finance leases:

For finance leases where the Group is the lessor the aggregate amount of lease payments is recognized as loans and advances. The difference between the present value (net investment) of lease payments and the aggregate amount of lease payments is recognized as unearned finance income and is deducted from loans and advances.

The lease rentals received decrease the aggregate amount of lease payments and finance income is recognized on an accrual basis.

The finance lease receivables are subject to the same impairment testing as applied to customer loans and advances as described in note 1.14.

#### ii. Operating leases:

When the Group is a lessor of assets under operating leases, the leased asset is recognized and depreciation is charged over its estimated useful life. Income arising from the leased asset is recognized as other income on an accrual basis.

### b) When the Group is the lessee

#### i. Finance leases:

For finance leases, where the Group is the lessee, the leased asset is recognized as property, plant and equipment and a respective liability is recognized in other liabilities.

At the commencement of the lease the leased asset and liability are recognized at amounts equal to the fair value of leased



property or, if lower, the present value of the minimum lease payments. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease or if, this is not available, the Group's borrowing rate for similar financing.

Subsequent to initial recognition, the leased assets are depreciated over their useful lives unless the duration of the lease is less than the useful life of the leased asset and the Group is not expected to obtain ownership at the end of the lease, in which case the asset is depreciated over the term of the lease.

The lease payments are apportioned between the finance charge and the reduction of the outstanding liability.

#### **ii. Operating leases:**

For operating leases the Group, as a lessee, does not recognize the leased asset but charges in general administrative expenses the lease payments on an accrual basis.

### **1.13 Insurance activities**

#### **a) Insurance contracts**

An insurance contract is a contract with which significant insurance risk is transferred from the policyholder to the insurance company and the insurance company agrees to compensate the policyholder if a specified uncertain future event affects him adversely. Insurance risk is significant if, and only if an event could force the company to pay significant additional benefits. For the Group, insurance risk is significant when the amount paid in the event of insurance risk exceeds 10% of the total benefit arising from the contract.

#### **b) Distinction of insurance products**

In accordance with IFRS 4 contracts that do not transfer significant insurance risk are characterized as investment and/or service contracts, and their accounting treatment is covered by IAS 32 and IFRS 9 for financial instruments and IFRS 15 for revenue.

All types of contracts offered by the Group are classified as insurance life contracts, as they represent individual, traditional insurance contracts that provide earnings participation based on surplus revenue from investment (in relation to the technical interest rate) on the mathematical reserves.

#### **c) Insurance reserves**

The insurance reserves are the current estimates of future cash flows arising from insurance life contracts. The reserves consist of:

##### **i. Mathematical reserves**

The insurance reserves for the term life contracts (e.g. term, comprehension, investment) are calculated on actuarial principles using the present value of future liabilities less the present value of premiums to be received.

The calculations are based on technical assumptions (mortality tables, interest rates) in accordance with the respective supervisory authorities on the date the contract was signed.

If the carrying amount of the insurance reserves is inadequate, the entire deficiency is provided for.

##### **ii. Outstanding claims reserves**

They concern liabilities on claims occurred and reported but not yet paid at the balance sheet date. These claims are determined on a case-by-case basis based on existing information (loss adjustors' reports, court decisions etc) at the balance sheet date.

They include also provisions for claims incurred but not reported at the balance sheet date (IBNR). The calculation of these provisions is based on statistical experience and the estimated average cost of claim.



#### **d) Revenue recognition**

Revenue from life insurance contracts is recognized when it becomes payable.

#### **e) Reinsurance**

The Group currently does not use reinsurance contracts.

#### **f) Liability adequacy test**

In accordance with IFRS 4 an insurer shall assess at each reporting date whether its recognized insurance reserves less deferred acquisition costs are adequate to cover the risk arising from the insurance contracts.

The methodology applied for life insurance products was based on current estimates of all future cash flows from insurance contracts and of related handling costs. These estimates were based on assumptions representing current market conditions and regarding parameters such as mortality, cancellations, future changes and allocation of administrative expenses as well as the discount rate. The guaranteed return included in certain insurance contracts has also been taken into account in estimating cash flows.

If that assessment shows that the carrying amount of its insurance reserves is inadequate, the entire deficiency is recognized against profit or loss.

### **1.14 Credit impairment losses on loans and advances to customers, undrawn loan commitments, letters of credit and letters of guarantee**

The Group, at each reporting date, recognizes a loss allowance for expected credit losses on loans and advances to customers not measured at fair value through profit or loss as well as for off-balance sheet exposures (letters of guarantee, letters of credit, undrawn loan commitments).

The loss allowance for loans and off-balance sheet exposures is based on expected credit losses related to the probability of default within the next twelve months, unless there has been a significant increase in credit risk from the date of initial recognition in which case expected credit losses are recognized over the life of the instrument. In addition, if the financial asset falls under the definition of purchased or originated credit impaired (POCI) financial assets, a loss allowance equal to the lifetime expected credit losses is recognized.

#### **a) Default definition**

The Group has adopted as default definition non-performing exposures (NPE), as defined in the EBA Guidelines (GL/2016/07), thus harmonizing the definition of default used for accounting purposes with the one used for regulatory purposes.

#### **b) Classification of exposures into stages based on credit risk (Staging)**

For the purposes of calculating expected credit losses, the exposures are classified into stages as follows:

- Stage 1: Stage 1 includes performing exposures that do not have significant increase in credit risk since initial recognition. Stage 1 also includes exposures for which credit risk has been improved and the exposure has been reclassified from Stages 2 or 3. In this stage, expected credit losses are recognized based on the probability of default within the next twelve months.
- Stage 2: Stage 2 includes performing exposures for which there has been a significant increase in credit risk since initial recognition. Stage 2 also includes exposures for which credit risk has been improved and the exposure has been reclassified from Stage 3. In this stage, lifetime expected credit losses are recognized.
- Stage 3: Stage 3 includes non performing/impaired exposures. In this stage, lifetime expected credit losses are recognized.

As an exception to the above, for purchased or originated credit impaired (POCI) exposures, lifetime expected credit losses are always recognized. Purchased or originated credit impaired exposures include:



- Exposures that at the time of acquisition meet the criteria to be classified as non-performing exposures.
- Exposures for which there has been a change in repayment terms, either due to financial difficulty or not, which resulted in derecognition and recognition of a new impaired asset (POCI) expect when derecognition is due to the change of debtor of a corporate loan in which case the creditworthiness of the new debtor is reassessed.

### c) Significant increase in credit risk

In determining significant increase in credit risk of an exposure since initial recognition and the recognition of lifetime expected credit losses instead of 12 months expected credit losses, the Group assesses, at each reporting date, the risk of default compared to the risk of default at initial recognition for all its performing exposures including those with no delinquencies.

The assessment of the significant increase in credit risk is based on the following:

- Quantitative Indicators: refers to the quantitative information used and more specifically to the comparison of the probability of default (PD) between the reporting date and the date of initial recognition.
- Qualitative Indicators: refers to the qualitative information used which is not necessarily reflected in the probability of default, such as the classification of an exposure as forborne performing (FPL, according to EBA ITS). Additional qualitative indicators, both for corporate and retail portfolios are also reflected through the Early Warning indicators where depending on the underlying assessment, an exposure can be considered to have a significant increase in credit risk or not. Especially for special lending portfolio, additional qualitative indicators are captured through slotting category.
- Backstop Indicators: in addition to the above, and in order to capture cases for which there are no triggers reflecting the increase in credit risk, based on qualitative and quantitative indicators, the 30 days past due indicator is used as a backstop.

### d) Calculation of expected credit loss

The measurement of expected credit losses is made as follows:

- For financial assets, a credit loss is the present value of the difference between:

- (a) the contractual cash flows and
- (b) the cash flows that the Group expects to receive

- For undrawn loan commitments, a credit loss is the present value of the difference between:

- (a) the contractual cash flows that are due if the holder of the loan commitment draws down the loan; and
- (b) the cash flows that the Group expects to receive if the loan is drawn down.

- For letters of guarantee and letters of credit, the loss is equal to the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder.

For present value calculation, original effective interest rate is used as a discount rate. Especially for POCl assets credit—adjusted effective interest rate is used.

The Group calculates impairment losses either on a collective (collective assessment) or on an individual basis (individual assessment), taking into account the significance of an exposure or the borrower's limit. In addition, exposures that do not have common credit risk characteristics or for which there are no sufficient historical behavioral data are assessed on an individual basis. The Group calculates expected credit losses based on the weighted probability of three scenarios. More specifically, the Economic Research Division produces forecasts for the possible evolution of macroeconomic variables that affect the level of expected credit losses of loan portfolios under a baseline and under alternative macroeconomic scenarios and also generates the cumulative probabilities associated with these scenarios.

The mechanism for calculating expected credit loss is based on the following credit risk parameters:

- Probability of Default (PD): It is an estimate of the probability of a debtor to default over a specific time horizon.
- Exposure at default (EAD): Exposure at Default is an estimate of the amount of the exposure at the time of the default



taking into account: (a) expected changes in the exposure after the reporting date, including principal and interest payments; (b) the expected use of credit limits and (c) accrued interest. The approved credit limits that have not been fully disbursed represent a potential credit exposure and are converted into a credit exposure equal to the approved undrawn credit limit multiplied by a Credit Conversion Factor (CCF). The Credit Conversion factor of credit exposure is calculated based on statistical models.

- Loss given default (LGD): Loss given default is an estimate of the loss that will occur if the default occurs at a given time. It is based on the difference between the contractual cash flows due and those expected to be received, including the liquidation of collaterals and cure rate.

#### **e) Measurement of expected credit losses on receivables from customers**

Receivables from customers are derived from the Group's commercial, other than loan, activity. The loss allowance for receivables from customers is measured at an amount equal to the lifetime expected credit losses (there is no stage allocation) based on the simplified approach provided by IFRS 9.

#### **f) Presentation of expected credit losses in financial statements**

Loss allowances for expected credit losses are presented in the Balance Sheet as follows:

- Financial assets measured at amortised cost and finance lease receivables: loss allowance is presented as a deduction from the gross carrying amount of the assets.
- Financial assets measured at fair value through other comprehensive income: for those assets no loss allowance is recognized in the Balance Sheet, however, its amount is disclosed in the notes to the financial statements.
- Letters of credit/letters of guarantee: loss allowance is recognized in line "Provisions" of liabilities in Balance Sheet.
- Undrawn loan commitments: When there is not also a loan, loss allowance is recognized in line "Provisions" of liabilities in Balance Sheet. If a financial asset includes both a loan and an undrawn loan commitment, the accumulated expected credit losses of the loan commitment are presented together with the accumulated expected credit losses of the loan, as a deduction from its gross carrying amount. To the extent that the combined expected credit losses exceed the gross carrying amount of the loan, the expected credit losses are recognized in line "Provisions" of liabilities in Balance Sheet.

The amount of expected credit losses for the period is presented in the caption "Impairment losses and provisions to cover credit risk". In the same caption the following are also recognized: recoveries from written-off loans measured at amortised cost or at fair value through other comprehensive income, modification gains or losses of loans measured at amortised cost or at fair value through other comprehensive income and the favourable changes in expected credit losses of POCI assets in case expected credit losses are less than the amount of expected credit losses included in the estimated cash flows on initial recognition.

#### **g) Write-offs**

The Group proceeds with the write-off of loans and advances to customers when it has no reasonable expectations for their recovery. In this case, the loss allowance is used against the carrying amount of the financial asset.

### **1.15 Credit impairment losses on due from banks and bonds**

The Group, at each reporting date, recognizes a loss allowance for expected credit losses on due from banks and bonds not measured at fair value through profit or loss.

The loss allowance is based on expected credit losses related to the probability of default within the next twelve months, unless there has been a significant increase in credit risk from the date of initial recognition in which case expected credit losses are recognized over the life of the instrument. In addition, if the financial asset falls under the definition of purchased or originated credit impaired (POCI) financial assets, a loss allowance equal to the lifetime expected credit losses is recognized.

#### **a) Default definition**

Due from banks and bonds are considered impaired when the external rating of the issuer/counterparty is equivalent to



default (D). In case there is no external rating, then the instrument is characterized as impaired based on internal rating. If there is also an exposure to the corporate issuer/counterparty to the loan portfolio which has been classified as impaired, the instrument is also characterized as impaired.

#### **b) Classification of due from banks and bonds into stages based on credit risk (Staging)**

For the purposes of calculating expected credit losses, the exposures are classified into stages as follows:

- Stage 1: Stage 1 includes non impaired instruments that do not have significant increase in credit risk since initial recognition. Stage 1 also includes instruments for which credit risk has been improved and the instrument has been reclassified from Stages 2 or 3. In this stage, expected credit losses are recognized based on the probability of default within the next twelve months.
- Stage 2: Stage 2 includes non impaired instruments for which there has been a significant increase in credit risk since initial recognition. Stage 2 also includes instruments for which credit risk has been improved and the instrument has been reclassified from Stage 3. In this stage, lifetime expected credit losses are recognized.
- Stage 3: Stage 3 includes impaired instruments. In this stage, lifetime expected credit losses are recognized.

As an exception to the above, for purchased or originated credit impaired (POCI) instruments, lifetime expected credit losses are always recognized. An instrument is characterized as purchased or originated credit impaired when:

- The instrument (or the issuer) has an external rating that corresponds to default at the time of acquisition
- Corporate bonds resulting from debt restructuring are classified as purchased or originated credit impaired, based on the guidelines applicable to the loan portfolio.

When a debt security has been purchased at a large discount and does not fall into any of the categories mentioned above, the Group examines the transaction in detail (transaction price, recovery rate, issuer's financial condition at the time of purchase, etc.) in order to determine whether it should be recognised as purchased or originated credit-impaired (POCI). Classification in this category requires documentation and approval by the relevant committees of the Group.

#### **c) Significant increase in credit risk**

The classification into stages for the purpose of expected credit loss measurement is based on the credit rating of rating agencies or, for corporate securities issued by Greek issuers for which there is also an exposure in loan portfolio, on the issuer's internal rating.

The Group defines as low credit risk all investment grade securities, which are classified in Stage 1.

The determination of significant increase in credit risk for non-investment grade securities is based on the following two conditions:

- Downgrade in the issuer / counterparty's credit rating on the reporting dates compared to the credit rating on the date of the initial recognition.
- Increase in the probability of default of the issuer / counterparty for the 12-month period compared to the corresponding probability of default at initial recognition.

Additionally, the Group monitors the change in the credit spread since initial recognition. A change in credit spread at the reporting date that exceeds a specific threshold compared to the credit margin prevailing at the date of initial recognition is a trigger for reviewing the securities classification stage.

#### **d) Calculation of expected credit loss**

The expected credit loss is the present value of the difference between:

- (a) the contractual cash flows and
- (b) the cash flows that the Group expects to receive

For present value calculation, original effective interest rate is used as a discount rate. Especially for POCI assets credit—adjusted effective interest rate is used.



For the calculation of the expected credit loss, the following parameters are used:

- Probability of default (PD): the probability of default over the next 12 months is used to calculate the expected credit loss for 12 months, and the probability of default over the life of the instrument is used to calculate the lifetime expected credit losses.
- Exposure at default (EAD): In the case of securities, the Group estimates the future unamortised cost in order to calculate the EAD. In particular, for each period, EAD is the maximum loss that would result from issuer / counterparty potential default.
- Loss given default (LGD) is the percentage of the total exposure that the Group estimates as unlikely to recover at the time of the default. The Group distinguishes sovereigns from non-sovereign issuers / counterparties as regards to the LGD estimation. In case the Group has also granted a loan to the issuer / counterparty of the security, the estimated LGD is aligned to corresponding estimate for the loan portfolio (taking into account any potential collaterals the loan portfolio is likely to have against the unsecured debt securities).

#### **e) Presentation of expected credit losses in financial statements**

Loss allowances for expected credit losses are presented in the Balance Sheet as follows:

- Financial assets measured at amortised cost: loss allowance is presented as a deduction from the gross carrying amount of the assets.
- Financial assets measured at fair value through other comprehensive income: for those assets no loss allowance is recognized in the Balance Sheet, however, its amount is disclosed in the notes to the financial statements.

The amount of expected credit losses for the period is presented in the caption "Impairment losses and provisions to cover credit risk". The caption includes also the favourable changes in expected credit losses of POCI assets in case expected credit losses are less than the amount of expected credit losses included in the estimated cash flows on initial recognition.

#### **1.16 Impairment losses on investments and non-financial assets**

The Group assess as at each balance sheet date its investments in associates and joint ventures as well as non-financial assets for impairment, particularly property, plant and equipment, investment property, goodwill and other intangible assets.

In assessing whether there is an indication that an asset may be impaired both external and internal sources of information are considered, of which the following are indicatively mentioned:

- The asset's market value has declined significantly, more than would be expected as a result of the passage of time or normal use.
- Significant changes with an adverse effect have taken place during the period or will take place in the near future, in the technological, economic or legal environment in which the entity operates or in the market to which the asset is dedicated.
- Significant unfavorable changes in foreign exchange rates.
- Market interest rates or other rates of return of investments have increased during the period, and those increases are likely to affect the discount rate used in calculating an asset's value in use.
- The carrying amount of the net assets of the entity is greater than its market capitalization.
- Evidence is available of obsolescence or physical damage of an asset.

An impairment loss is recognized in profit or loss when the recoverable amount of an asset is less than its carrying amount. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Fair value less costs to sell is the amount received from the sale of an asset (less the cost of disposal) in an orderly transaction between market participants.

Value in use is the present value of the future cash flows expected to be derived from an asset or cash –generating unit





through their use and not from their disposal. For the valuation of property, plant and equipment, value in use incorporates the value of the asset as well as all the improvements which render the asset perfectly suitable for its use by the Group.

### **1.17 Income tax**

Income tax consists of current and deferred tax.

Current tax for a period includes the expected amount of income tax payable in respect of the taxable profit for the current reporting period, based on the tax rates enacted at the balance sheet date.

Deferred tax is the tax that will be paid or for which relief will be obtained in future periods due to the different period that certain items are recognized for financial reporting purposes and for taxation purposes. It is calculated based on the temporary differences between the tax base of assets and liabilities and their respective carrying amounts in the financial statements.

Deferred tax assets and liabilities are calculated using the tax rates that are expected to apply when the temporary difference reverses, based on the tax rates (and laws) enacted at the balance sheet date.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Income tax, both current and deferred, is recognized in profit or loss except when it relates to items recognized directly in equity. In such cases, the respective income tax is also recognized in equity.

### **1.18 Non-current assets held for sale**

Non-current assets or disposal groups that are expected to be recovered principally through a sale transaction, along with the related liabilities, are classified as held-for-sale.

The above classification is used if the asset is available for immediate sale in its present condition and its sale is highly probable. The sale is considered highly probable when it has been decided by Management, an active programme to locate a buyer has been initiated, the asset is actively marketed for sale at a price which is reasonable in relation to its current fair value and the sale is expected to be completed within one year. Non-current assets that are acquired exclusively with a view to their subsequent disposal are classified as held for sale at the acquisition date when the one-year requirement is met and it is highly probable that the remaining criteria will be met within a short period following the acquisition (usually within three months).

Before their classification as held for sale, the assets are remeasured in accordance with the respective accounting standard.

Assets held for sale are initially recognised and subsequently remeasured at each balance sheet date at the lower of their carrying amount and fair value less cost to sell. Any loss arising from the above measurement is recorded in profit or loss and can be reversed in the future. When the loss relates to a disposal group it is allocated to assets within the disposal group with the exception of specific assets that are not within the scope of IFRS 5. The impairment loss on a disposal group is first allocated to goodwill and then to the remaining assets and liabilities on a pro-rata basis.

Assets in this category are not depreciated.

Gains or losses from the sale of these assets are recognized in the income statement.

Non-current assets that are acquired through enforcement procedures but are not available for immediate sale or are not expected to be sold within a year are included in Other Assets and are measured at the lower of cost (or carrying amount) and fair value less cost to sell. Non-current assets held for sale, that the Group subsequently decides either to use or to lease, are reclassified to the categories of property, plant and equipment or investment property respectively. During their reclassification, they are measured at the lower of their recoverable amount and their carrying amount before they were classified as held for sale, adjusted for any depreciation, amortization or revaluation that would have been recognized had the assets not been classified as held for sale.

### **1.19 Employee benefits**

The Group has both defined benefit and defined contribution plans.



A defined contribution plan is where the Group pays fixed contributions into a separate entity and the Group has no legal or constructive obligation to pay further contributions if the fund does not have sufficient assets to pay all employees the benefits relating to employee service in current or prior years. The contributions are recognized as employee benefit expense on an accrual basis. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement which is dependent, among others, on years of service and salary on date of retirement and it is guaranteed by the entity of the Group.

The defined benefit obligation is calculated, separately for each plan, based on an actuarial valuation performed by independent actuaries using the projected unit credit method.

The net liability recognized in the consolidated financial statements is the present value of the defined benefit obligation (which is the expected future payments required to settle the obligation resulting from employee service in the current and prior periods) less the fair value of plan assets. The amount determined by the above comparison may be negative, an asset. The amount of the asset recognised in the financial statements cannot exceed the total of the present value of any economic benefits available to the Group in the form of refunds from the plan or reductions in future contributions to the plan.

The present value of the defined benefit obligation is calculated based on the return of high quality corporate bonds with a corresponding maturity to that of the obligation, or based on the return of government bonds in cases when there is no deep market in corporate bonds.

Interest on the net defined benefit liability (asset), which is recognised in profit or loss, is determined by multiplying the net defined benefit liability (asset) by the discount rate used to discount post-employment benefit obligation, as determined at the start of the annual reporting period, taking into account any changes in the net defined benefit liability (asset).

Service cost, which is also recognised in profit or loss, consists of:

- Current service cost, which is the increase in the present value of the defined benefit obligation resulting from employee service in the current period;
- Past service cost, which is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting from the introduction or withdrawal of, or changes to, a defined benefit plan or a curtailment (a significant reduction by the entity in the number of employees covered by a plan) and
- Any gain or loss on settlement.

Before determining past service cost or a gain or loss on settlement, the Group remeasures the net defined benefit liability (asset) using the current fair value of plan assets and current actuarial assumptions, reflecting the benefits offered under the plan before its amendment, curtailment or settlement.

Past service cost, in particular, is directly recognized to profit or loss at the earliest of the following dates

- When the plan amendment or curtailment occurs; and
- When the Group recognizes related restructuring costs (according to IAS 37) or termination benefits.

Likewise, the Group recognizes a gain or loss on the settlement when the settlement occurs.

Remeasurements of the net defined benefit liability (asset) which comprise:

- actuarial gains and losses;
- return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and
- any change in the effect of the limitation in the asset recognition, excluding amounts included in net interest on the net defined benefit liability (asset),

are recognized directly in other comprehensive income and are not reclassified in profit or loss in a subsequent period.

Finally, when the Group decides to terminate the employment before retirement or the employee accepts the Group's offer of benefits in exchange for termination of employment, the liability and the relative expense for termination benefits are recognized at the earlier of the following dates:



- a. when the Group can no longer withdraw the offer of those benefits; and
- b. when the Group recognizes restructuring costs which involve the payment of termination benefits.

### **1.20 Share options granted to employees**

The granting of share options to the employees, their exact number, the price and the exercise date are decided by the Board of Directors in accordance with the Shareholders' Meeting approvals and after taking into account the current legal framework.

The fair value calculated at grant date is recognized over the period from the grant date to the exercise date and recorded as an expense in payroll and related costs with an increase of a reserve in equity respectively. The amount paid by the beneficiaries of share options on the exercise date increases the share capital of the Group and the reserve in equity from the previously recognized fair value of the exercised options is transferred to share premium.

### **1.21 Provisions and contingent liabilities**

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are, also, recognized in cases of restructuring plans with which management attempts either to change the subject of a corporate activity or the manner in which it is conducted (e.g. close down business locations). The recognition of provision is accompanied with the relevant, authorized by the Management, program and with the suitable actions of disclosure. A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both necessarily entailed by the restructurings and not associated with the ongoing activity of the Group.

The amount recognized as a provision shall be the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Where the effect of the time value of money is material, the amount of the provision is equal to the present value of the expenditures expected to settle the obligation.

Amounts paid for the settlement of an obligation are set against the original provisions for these obligations. Provisions are reviewed at the end of each reporting period.

If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed. Additionally, provisions are not recognized for future operating losses.

Future events that may affect the amount required to settle the obligation, for which a provision has been recognized, are taken into account when sufficient objective evidence exists that they will occur.

Reimbursements from third parties relating to a portion of or all of the estimated cash outflow are recognized as assets, only when it is virtually certain that they will be received. The amount recognized for the reimbursement does not exceed the amount of the provision. The expense recognized in profit or loss relating to the provision is presented net of the amount of the reimbursement.

The Group does not recognize in the statement of financial position contingent liabilities which relate to:

- possible obligations resulting from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group, or
- present obligations resulting from past events for which:
  - it is not probable that an outflow of resources will be required, or
  - the amount of liability cannot be measured reliably.

The Group provides disclosures for contingent liabilities taking into consideration their materiality.

### **1.22 Sale and repurchase agreements and securities lending**

The Group enters into purchases of securities under agreements to resell at a certain date in the future at a fixed price (reverse



repos). Securities purchased subject to commitments to resell them at future dates are not recognized in the balance sheet. The amounts paid are recognized in loans and advances to either banks or customers. The difference between the purchase price and the resale price is recognized as interest income on an accrual basis.

Securities that are sold under agreements to repurchase (repos) are not derecognized but they continue to be measured in accordance with the accounting policy of the category that they have been classified.

The proceeds from the sale of the securities are reported as liabilities to either banks or customers. The difference between the sales price and the repurchase price is recognized on an accrual basis as interest expense.

Securities borrowed by the Group under securities lending agreements are not recognized in the consolidated balance sheet except when they have been sold to third parties whereby the liability to deliver the security is recognized and measured at fair value.

### **1.23 Securitization**

The Group securitises financial assets by transferring these assets to special purpose entities, which in turn issue bonds.

In each securitization of financial assets the assessment of control of the special purpose entity is considered, based on the circumstances mentioned in note 1.2, so as to examine whether it should be consolidated. In addition, the contractual terms and the economic substance of transactions are considered, in order to decide whether the Group should proceed with the derecognition of the securitised financial assets, as referred in note 1.6.

### **1.24 Equity**

#### **Distinction between debt and equity**

Financial instruments issued by Group companies to obtain funding are classified as equity when, based on the substance of the transaction, the Group does not undertake a contractual obligation to deliver cash or another financial asset or to exchange financial instruments under conditions that are potentially unfavorable to the issuer.

In cases when Group companies are required to issue equity instruments in exchange for the funding obtained, the number of equity instruments must be fixed and determined on the initial contract, in order for the obligation to be classified as equity.

#### **Incremental costs of share capital increase**

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from retained earnings.

#### **Share premium**

Share premium includes the difference between the nominal value of the shares and the consideration received in the case of a share capital increase.

It also includes the difference between the nominal value of the shares issued and their market value, in cases of exchanges of shares as consideration for the acquisition of a business by the Group.

#### **Treasury shares**

The cost of acquiring treasury shares is recognized as a reduction of equity. Subsequent gains or losses from the sale of treasury shares, after deducting all direct costs and taxes, are recognized directly in retained earnings.

#### **Retained earnings**

Dividends are deducted from retained earnings and recorded as a liability in the period that the dividend is approved by the Shareholders in General Meeting.



### 1.25 Interest income and expense

Interest income and expense is recognized in the income statement for all interest bearing financial assets and liabilities.

Interest income and expense is recognised on an accrual basis and measured using the effective interest method.

Especially for POCI assets, interest income is calculated using credit-adjusted effective interest rate.

Effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate.

For financial assets, in particular, the following apply:

- For those financial assets classified within Stage 1 or Stage 2 for the purpose of expected credit losses measurement, interest income is calculated by applying effective interest rate to the gross carrying amount of the asset.
- For those financial assets classified within Stage 3 for the purpose of expected credit losses measurement, interest income is calculated by applying the effective interest rate to the amortised cost of the asset.
- For purchased or originated credit impaired financial assets interest income is calculated by applying the credit-adjusted effective interest rate to the amortised cost of the asset.

Borrowing costs that are directly attributable to assets that require a substantial period of time to get ready for their intended use or sale are capitalized as part of the cost of the asset. Capitalisation ceases when substantially all the activities necessary to prepare the asset for its intended use are complete.

### 1.26 Fee and commission income

Fees and commission income from contracts with customers are recognized based on the consideration specified in the contract when the Group satisfies the performance obligation by transferring the service to the customer. With the exception of specific portfolio management fees which are calculated on the basis of the size and performance of the portfolio, the services provided have a fixed price. Variable portfolio management fees are recognized when all related uncertainties are resolved.

For commissions on services provided over time, revenue is recognized as the service is being provided to the customer, such as commissions to provide account management services, fees for administration of syndicated loans, fees for portfolio management and investment services advice as well as management fees and fees for collection of receivables.

For transaction-based fees, the execution and completion of the transaction executed signals the point in time, in which the service is transferred to the customer and the revenue is recognized, such as currency transactions, purchases / sales of securities as well as issue and disposal of syndicated loans and bonds.

Transaction revenues relating to the recognition of a financial instrument not measured at fair value through profit or loss are capitalized and amortised in the income statement using the effective interest method over the life of the financial instrument.

### 1.27 Dividend Income

Dividend income from investments in shares is recognised in the income statement when the dividend distribution is approved by the appropriate body of the company that the Group has invested in.

### 1.28 Gains less losses on financial transactions and impairments on Group companies

Gains less losses on financial transactions and impairments on Group companies include:



- fair value changes of financial assets and liabilities,
- gains and losses arising from the modification of the contractual terms of financial assets measured at fair value through profit or loss,
- gains and losses arising from the derecognition of financial assets and liabilities due to early repayment, disposal or significant modification of the contractual terms, except for gains and losses arising from the derecognition of financial assets measured at amortised cost which are recognized in a separate line item of the Income Statement,
- gains and losses arising from the impairment or disposal of Group entities that have not been classified as discontinued operations,
- exchange differences arising from the translation of financial instruments denominated in foreign currencies.

### **1.29 Gains less losses on derecognition of financial assets measured at amortised cost**

Gains less losses on derecognition of financial assets measured at amortised cost include:

- Gains and losses from the derecognition of financial assets measured at amortised cost
- The difference, at initial recognition, between the nominal and the fair value of a financial asset measured at amortised cost that is the result of the derecognition of another financial asset due to significant modification of its contractual terms.

### **1.30 Discontinued operations**

A discontinued operation is a component of the Group that either has been disposed of, or has been classified as held for sale and represents:

- a major line of Group's business; or
- a geographical area of operations; or
- a subsidiary acquired exclusively with a view to resale.

The assets and liabilities of discontinued operations are presented separately from other assets and liabilities in the balance sheet and are not offset.

Any cumulative income or expense recognized directly in equity relating to a discontinued operation is presented separately (as a separate line in equity).

The profit or loss after tax from discontinued operations and any losses recognized on the measurement to fair value less costs to sell of the disposal group are presented in a separate line in the face of the income statement after net profit from continuing operations.

The comparative financial statements are restated only for the income statement and the cash flow statement.

### **1.31 Related parties definition**

According to IAS 24, a related party is a person or entity that is related to the entity that is preparing its financial statements. For the Group, in particular, related parties are considered:

**a)** An entity that constitutes for the Group:

- i) a joint venture,
- ii) an associate and
- iii) a Post-Employment Benefit Plan, in this case the Supplementary Fund of former Alpha Credit Bank's employees,

**b)** A person or an entity that have control, or joint control, or significant influence over the Group.

This category includes Hellenic Financial Stability Fund and its subsidiaries because, in the context of the L.3864/2010, the HFSF participates in the Board of Directors and in significant committees of the Bank and as a result is considered to have significant influence over the Group.



c) A person and his close family members, if that person is a member of the key management personnel.

The Group considers as key management personnel all the members of the Bank's Board of Directors and of the Bank's Executive Committee while as their close family members it considers their children and spouses or domestic partners and their dependants and the dependants of their spouses or domestic partners.

Moreover, the Group discloses all transactions and outstanding balances with entities which are controlled or jointly controlled by the above mentioned persons. This disclosure concerns participations of the above persons in entities that exceed 20%.

### 1.32 Comparatives

To the extent considered necessary the comparatives have been adjusted to facilitate changes in presentation of the current year amounts.

It is noted, however, that the adoption of IFRS 9 resulted in significant changes in the accounting policies for financial assets and liabilities and in particular in the classification, measurement and impairment. The Group, making use of the exception provided by IFRS 9, did not adjust comparative information. The main accounting policies for financial instruments that were applied until 31.12.2017, in accordance with IAS 39, are presented below. The full set of those accounting policies is presented in the annual financial statements as at 31.12.2017.

## Accounting policies applied for financial instruments until 31.12.2017

### 1. Classification and measurement of financial instruments

#### Financial Assets

The Group classifies its financial assets as:

- Loans and receivables
- Held-to-maturity investments
- Financial assets at fair value through profit or loss
- Available-for-sale financial assets

For each of the above categories the following apply:

#### a) Loans and receivables

Non derivative financial assets, with fixed or determinable payments, that are not quoted in an active market and for which the Group does not expect not to recover substantially its investment other than because of credit deterioration of the issuer, can be classified as loans and receivables.

This category is measured at amortised cost using the effective interest method and is periodically tested for impairment based on the procedures described in section 2 "Impairment losses on loans and advances" below.

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating the interest income or expense during the relative period. The effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts through the contractual life of a financial instrument or the next repricing date.

#### b) Held-to-maturity investments

Non derivative financial assets with fixed or determinable payments and fixed maturity that the Group has the positive intention and ability to hold until maturity can be classified as Held-to-maturity investments.

Held-to-maturity investments are measured at amortised cost using the effective interest method and are tested for impairment at each reporting date. In cases when objective evidence exists that an impairment loss has occurred, the carrying amount of the financial asset is reduced to the recoverable amount, and the difference is recognised in profit or loss.



### c) Financial assets at fair value through profit or loss

Financial assets included in this category are:

- i. Financial assets which are acquired principally for the purpose of selling in the near term to obtain short term profit (held for trading).
- ii. Financial assets the Group designated, at initial recognition, as at fair value through profit or loss. This classification is used in the following circumstances:
  - When management monitors and manages the financial instruments on a fair value basis in accordance with a documented risk management or investment strategy.
  - When the designation eliminates an accounting mismatch which would otherwise arise from measuring financial assets and liabilities on a different basis (i.e. amortised cost) in relation to another financial asset or liability (i.e. derivatives which are measured at fair value through profit or loss).
  - When a financial instrument contains an embedded derivative that significantly modifies the cash flows, or the separation of these derivatives from the main financial instruments is not prohibited.

As at the reporting date, the Group had not designated, at initial recognition, any financial assets as at fair value through profit or loss.

### d) Available-for-sale

Available-for-sale financial assets are financial assets that have not been classified in any of the previous categories.

This category is measured at fair value. Changes in fair value are recognized directly in equity until the financial asset is sold, where upon, the cumulative gains and losses previously recognized in equity are recognized in profit or loss.

The financial assets included in this category are reviewed at each balance sheet date to determine whether there is any indication of impairment. For investments in shares, in particular, a significant or prolonged decline in their fair value below their acquisition cost is considered as an objective evidence of impairment. The Group considers as "significant" a decrease of over 20% compared to the cost of the investment. Respectively, "prolonged" is a decrease in the fair value below amortised cost for a continuous period exceeding one year. The above criteria are assessed in conjunction with the general market conditions. In case of impairment, the cumulative loss already recognised in equity is reclassified in profit or loss. When a subsequent event causes the amount of impairment loss recognised on an available-for-sale bond or debt security to decrease, the impairment loss is reversed through profit or loss, if it can objectively be related to an event occurring after the impairment loss was recognized. However, impairment losses recognised for investments in shares and mutual funds are not reversed through profit or loss.

The measurement principles noted above are not applicable when a specific financial asset is the hedged item in a hedging relationship, in which case the principles set out in note 1.7 apply.

## Financial Liabilities

The Group classifies financial liabilities in the following categories for measurement purposes:

### a) Financial liabilities measured at fair value through profit or loss

- i. This category includes financial liabilities held for trading, that is:
  - financial liabilities acquired or incurred principally with the intention of selling or repurchasing in the near term for short term profit, or
  - derivatives not used for hedging purposes. Liabilities arising from either derivatives held for trading or derivatives used for hedging purposes are presented as "derivative financial liabilities" and are measured according to the principles set out in note 1.7.
- ii. this category also includes financial liabilities which are designated by the Group as at fair value through profit or loss upon initial recognition, according to the principles set out above for financial assets (point cii).





In the context of the acquisition of Emporiki Bank, the Group issued a bond which was classified in the above mentioned category.

#### **b) Financial liabilities carried at amortised cost**

The liabilities classified in this category are measured at amortised cost using the effective interest method.

In cases when financial liabilities included in this category are designated as the hedged item in a hedge relationship, the accounting principles applied are those set out in note 1.7.

#### **c) Liabilities arising from financial guarantees and commitments to provide loans at a below market interest rate**

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment.

The financial guarantee contracts and the commitments to provide loans at a below market interest rate are initially recognized at fair value, and measured subsequently at the higher of:

- the amount of the provision (determined in accordance with IAS 37) when an outflow of resources is considered probable and a reliable estimate of this outflow is possible,
- the amount initially recognised less cumulative amortization.

#### **Derivative financial instruments and hedge accounting**

The accounting principles applied for derivatives until 31.12.2017 are no different from those applicable from 1.1.2018. Exceptions are derivatives embedded in other financial assets, which are mandatorily separated, measured at fair value and included within derivative financial assets or liabilities when:

- a. host contract is not measured at fair value through profit or loss
- b. the economic characteristics and risks of the embedded derivatives are not closely related to those of the host contract

## **2. Impairment losses on loans and advances**

The Group assess at each balance sheet date whether there is evidence of impairment in accordance with the general principles and methodology set out in IAS 39 and the relevant implementation guidance.

Specifically, the steps performed are the following:

#### **a. The criteria of assessment on an individual or collective basis**

The Group assesses for impairment on an individual basis the loans that it considers individually significant. Loans that are considered individually significant are mentioned in note 41.1 of the annual financial statements as at 31.12.2017. For the remaining loans impairment test is performed on a collective basis.

The Group has determined the criteria that consist trigger events for the assessment of impairment.

Loans which are individually assessed for impairment and found not impaired are included in groups, based on similar credit risk characteristics, and assessed for impairment collectively.

The Group groups the portfolio into homogenous populations, based on common risk characteristics, and has a historical statistical basis, in which it performs an analysis with which it captures and defines impairment testing, by segment population.

In addition, as part of the collective assessment, the Group recognizes impairment for loss events that have been incurred but not reported (IBNR). The calculation of the impairment loss in these cases takes into account the period between the occurrence of a specific event and the date it becomes known (Loss Identification Period).

A detailed analysis of the loans that belong to the wholesale and the retail sectors, of the trigger events for impairment as



well as of the characteristics used for the determination of the groups for the collective assessment is included in note 41.1 of the annual financial statements as at 31.12.2017

#### **b. Methodology in determining future cash flows from impaired loans**

The Group has accumulated a significant amount of historical data, which includes the loss given default for loans after the completion of forced recovery, or other measures taken to secure collection of loans, including the realization of collaterals. Based on the above, the amount of the recoverable amount of each loan is determined after taking into account the time value of money. The cash flows are discounted at the loans' original effective interest rate.

An impairment loss is recognized to the extent that the recoverable amount of the loan is less than its carrying amount.

#### **c. Interest income recognition**

Interest income on impaired loans is recognized based on the carrying value of the loan net of impairment at the original effective interest rate.

#### **d. Impairment recognition – Write – offs**

Amounts of impaired loans are recognized on allowance accounts until the Group decides to write them down/write them off.

The policy of the Group regarding write downs/write offs is presented in detail in note 41.1 of the annual financial statements as at 31.12.2017.

#### **e. Recoveries**

If in a subsequent period, after the recognition of the impairment loss, events occur which require the impairment loss to be reduced, or there has been a collection of amounts from loans and advances previously written-off, the recoveries are recognized in impairment losses and provisions to cover credit risk.

### **1.33 Estimates, decision making criteria and significant sources of uncertainty**

The Group, in the context of applying accounting policies and preparing financial statements in accordance with the International Financial Reporting Standards, makes estimates and assumptions that affect the amounts that are recognized as income, expenses, assets or liabilities. The use of estimates and assumptions is an integral part of recognizing amounts in the financial statements that mostly relate to the following:

#### **Fair value of assets and liabilities**

For assets and liabilities traded in active markets, the determination of their fair value is based on quoted, market prices. In all other cases the determination of fair value is based on valuation techniques that use observable market data to the greatest extent possible. In cases where there is no observable market data, the fair value is determined using data that are based on internal estimates and assumptions eg. determination of expected cash flows, discount rates, prepayment probabilities or potential counterparty default.

#### **Business Model Assessment**

Classification of financial assets is based on the assessment of business model and contractual cash flows. Business model, in particular, is determined at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment requires judgement in which the following are taken into account: the way the performance of the business model is evaluated, the risks that affect the performance of the asset portfolios held within the business model, the way managers of the Group are evaluated and the expected frequency and value of sales. For financial assets included in hold to collect business model, the Group assesses past sales as well as expected future sales in order to confirm consistency with a hold to collect business model.



### Expected credit losses of financial assets

The measurement of expected credit losses requires the use of complex models and significant estimates of future economic conditions and credit behavior, taking into account the events that have occurred until reporting date. Significant estimates are also required to identify the criteria that indicate a significant increase in credit risk, the choice of appropriate methodologies for measuring expected credit risk losses and the determination of the alternative macroeconomic scenarios and the cumulative probabilities associated with these scenarios as well as the assumptions included in the Group's business plan for the reduction of non-performing exposures. Estimates are also required for the determination of the expected duration, the date of initial recognition of revolving facilities as well as the grouping of financial assets based on similar credit risk characteristics.

### Impairment losses on investments in associates and joint ventures and on non - financial assets

The Group, at each year end balance sheet date, assesses for impairment non – financial assets, and in particular property, plant and equipment, investment property, goodwill and other intangible assets, as well as its investments in associates and joint ventures. Internal estimates are used to a significant degree to determine the recoverable amount of the assets, i.e. the higher between the fair value less costs to sell and value in use.

### Income Tax

The Group recognizes assets and liabilities for current and deferred tax, as well as the related expenses, based on estimates concerning the amounts expected to be paid to or recovered from tax authorities in the current and future periods. Estimates are affected by factors such as the practical implementation of the relevant legislation, the expectations regarding the existence of future taxable profit and the settlement of disputes that might exist with tax authorities etc. Future tax audits, changes in tax legislation and the amount of taxable profit actually realised may result in the adjustment of the amount of assets and liabilities for current and deferred tax and in tax payments other than those recognized in the financial statements of the Group. Any adjustments are recognized within the year that they become final.

### Employee defined benefit obligations

Defined benefit obligations are estimated based on actuarial valuations that incorporate assumptions regarding discount rates, future changes in salaries and pensions, as well as the return on any plan assets. Any change in these assumptions will affect the amount of obligations recognized.

### Provisions and contingent liabilities

The Group recognises provisions when it estimates that it has a present legal or constructive obligation that can be estimated reliably, and it is almost certain that an outflow of economic benefits will be required to settle the obligation. In contrast, when it is probable that an outflow of resources will be required, or when the amount of liability cannot be measured reliably, the Group does not recognise a provision but it provides disclosures for contingent liabilities, taking into consideration their materiality. The estimation for the probability of the outflow as well as for the amount of the liability are affected by factors which are not controlled by the Group, such as court decisions and the practical implementation of the relevant legislation.

The estimates and judgments applied by the Group in making decisions and in preparing the financial statements are based on historical information and assumptions which at present are considered appropriate. The estimates and judgments are reviewed on an ongoing basis in order to take into account current conditions, and the effect of any changes is recognized in the period in which the estimates are revised.

#### 1.33.1 Going concern principle

The Group applied the going concern principle for the preparation of the financial statements as at 31.12.2018. For the application of this principle, the Group takes into consideration current economic developments in order to



make projections for future economic conditions of the environment in which it operates. The main factors that cause uncertainties regarding the application of this principle relate to the economic environment in Greece and abroad and to the liquidity levels of the Hellenic Republic and the banking system.

The prolonged recession that the Greek economy has experienced in recent years led to the significant deterioration in the creditworthiness of corporate and individuals and, consequently, to the rapid increase in non performing loans, resulting in the recognition of significant impairment losses by the Bank and by the Greek banking system in general.

In addition, as a result of the Greek sovereign debt crisis and the measures taken to deal with it, combined with the uncertainties created during the negotiations of the Hellenic Republic with the European Commission, the European Central Bank and the International Monetary Fund for the financing of the Hellenic Republic during the first half of 2015, there was a significant outflow of deposits and the imposition of capital controls and of a bank holiday which was announced on 28.6.2015 and lasted until 19.7.2015. Capital controls have been removed to a significant extent while the detailed provisions for their application are amended where appropriate by the adoption of a legislative act. As at the date of the financial statements, the liquidity needs of Greek credit institutions continue to be partially met by the Eurosystem's mechanisms, and the total amount of borrowing is gradually being reduced.

Within the year, in particularly in August 2018, the third financial support program of the Hellenic Republic was successfully completed, while providing the possibility of forming a cash buffer of € 24.1 billion, which is estimated to be able to cover the needs of the Hellenic Republic for a period of around 22 months, beginning from August 2018, a fact which significantly reduces potential financial risks after the completion of the program. It is also noted that the Hellenic Republic is taking steps to gradually recover its access to the financial markets to meet its financing needs, as specifically described in note 1.33.2

In addition, the Group successfully completed the European stress testing exercise by the ECB in accordance with the methodology of the European Banking Authority. Based on the exercise, under the adverse scenario, 2020 CET1 ratio stood at 9.7% while under the baseline scenario 2020 CET1 ratio reached 20.4%. Based on feedback received from the Single Supervisory Mechanism (SSM) no capital plan is required.

Based on the above and taking into account:

- the Group's high capital adequacy, with which the impact from the application of IFRS 9 is also covered (notes 44 and 45)
- the fact that there is an increase in deposits and financing from non-Eurosystem sources
- the amount of available eligible collaterals through which liquidity is ensured, to the extent required, through the mechanisms of the eurosystem.

the Group estimates that, at least for the next 12 months, the conditions for the application of the going concern principle for the preparation of its financial statements are met.

### 1.33.2 Estimation of the Group's exposure to the Hellenic Republic

The Group's total exposure to Greek Government securities and loans related to the Hellenic Republic is presented in note 43.1. The main uncertainties regarding the estimations for the recoverability of the Group's total exposure relate to the debt service capacity of the Hellenic Republic, which, in turn, is affected by the development of the macroeconomic environment in Greece and the Eurozone as well as by the levels of liquidity of the Hellenic Republic.

As far as debt sustainability is concerned and in accordance with the relevant framework set out in the previous meetings of Eurogroup, it is noted that the short-term measures for enhancing the Greek debt sustainability were implemented.

In addition, in the Eurogroup meeting held in 21.6.2018 the medium-term measures for enhancing the Greek debt sustainability were described. In particular, it was confirmed that the gross financing needs of the Greek government should be less than the 15% of GDP in the medium-term and subsequently less than the 20% of GDP while ensuring that the debt remains on a sustained downward path. In order to achieve the aforementioned targets, it was decided:



- The abolition of the step-up interest rate margin related to the debt buy-back tranche of the second Greek program.
- The use of profits from Central Banks (Securities Markets Products, Agreement on Net Financial Assets) from bond's markets realized in previous periods. These amounts will be used to reduce gross financing needs or to finance other agreed investments.
- A deferral of European Financial Stability Fund (EFSF) interest and amortization by 10 years and an extension of the maximum weighted average maturity by 10 years, respecting the program authorized amount.

The first two measures mentioned above are subject to the continuance and implementation of the agreed reforms, as well as to the fiscal commitments to achieve a primary surplus of 3.5% of GDP until 2022 and a primary surplus of 2.2% of GDP on average in the period from 2023 to 2060.

In the long- term and in the event of an adverse scenario further exceptional debt measures could be implemented. The further deferral of debt in conjunction with the cash buffer represent a significant backstop to the financing risks for the next two years.

Finally, it is noted that the Hellenic Republic is taking steps to gradually recover its access to the financial markets to cover its financing needs. In particular, the Hellenic Republic, following the successful completion of the exchange of its bonds issued in the context of Private Sector Involvement (PSI) in the Greek debt restructuring in 2012, with new bonds aiming at aligning the terms of the bonds with market standards, normalizing the Republic's yield curve and enhancing titles' marketability, proceeded, in January 2019, with a new five-year bond issue, as a result of which funds of € 2.5 billion were raised. In addition, in March 2019, the Hellenic Republic issued a new ten-year bond raising funds of an amount of € 2.5 billion while the credit rating agency Moody's raised Greece's sovereign credit rating to B1 from B3.

Based on the above, the Group considers that there has been no significant increase in credit risk on the Greek Government securities that it held as at 31.12.2018 since initial recognition, however, it assesses the developments relating to the Greek Government debt in conjunction with the market conditions and it reviews its estimations for the recoverability of its total exposure at each reporting date.

### 1.33.3 Recoverability of deferred tax assets

The Group recognizes deferred tax assets to the extent that it is probable that it will have sufficient future taxable profit available, against which, deductible temporary differences and tax losses carried forward can be utilized. The estimation of future taxable profits is based on forecasts for the development of the accounting results, as these are formulated in accordance with the business plan of the Group. In particular, the business plan includes actions aimed at enhancing profitability th

- the reduction of the amount of non-performing exposures, based on the plan submitted to the Single Supervisory Mechanism (SSM),
- further reduction of operating costs,
- interest income increase through targeted financing of business segments,
- increase in commission income from services and products offered to individuals and corporates and
- the active management of the sources and the financing costs of the Group.

The main categories of deferred tax assets which have been recognized by the Group relate to tax losses carried forward, to losses from the Greek government bonds exchange program (PSI) and the December 2012 Greek government bond buyback program and to deductible temporary differences arising from loans' impairment.

Deferred tax assets on tax losses carried forward mainly arise from the Bank. Tax losses can be offset against taxable profits within five years from their formation. In particular, Bank's tax losses relate only to the year 2014 and are expected to be fully offset by tax profits of 2019.

Deferred tax assets associated with tax losses incurred by the PSI and the participation of the Bank in the December 2012 Greek government bond buyback program were recognized as a "debit difference" according to Law 4046/14.2.2012, Law 4110/23.1.2013 and a respective legal opinion. According to Law 4110/23.1.2013 the "debit difference" is deductible for tax



purposes, gradually in equal installments, within 30 years, a fact which, according to the Group's estimation, provides a sufficient time period for its gradual utilization against taxable profits.

Regarding the temporary differences arising from loans' impairment, there are no time constraints concerning their recovery, as is the case for the other deferred tax assets categories. The Group assessed their recoverability based on estimates for future taxable profits, as these are forecasted on the basis of the aforementioned business plan, after extending the period of estimation for a limited number of years compared to the business plan. In addition, taking into account the fact that losses resulting from the write-down of debts and the sale of loans, as specifically mentioned in note 13, are recognized gradually and equally over a period of 20 years, it is estimated that there is sufficient time for offsetting against taxable profits.

The Group, based on the above, estimates that the total deferred tax assets recognized and that relate to temporary differences and to tax losses carried forward is recoverable.

In addition, and regardless of the assessment of the recoverability of deferred tax assets that is carried out based on what is mentioned above, Law 4303/2014 provides that in case that the after tax accounting result for the period is a loss, deferred tax assets arising from the PSI debit difference and from the accumulated provisions and other general losses due to credit risk are eligible to be converted into a final and settled claim against the Greek State, as described in detail in note 13.

The main uncertainties concerning the estimations for the recoverability of the deferred tax assets relate to the achievement of the goals set in the Group's business plan, which is affected by the general macroeconomic environment in Greece and internationally. At each balance sheet date, the Group reassesses its estimation regarding the recoverability of deferred tax assets in conjunction with the development of the factors that affect it.



## INCOME STATEMENT

## 2. Net interest income

	FROM 1 JANUARY TO	
	31.12.2018	31.12.2017*
<b>Interest and similar income</b>		
Due from banks	(1,394)	1,049
Loans and advances to customers	1,948,548	2,191,573
Loans and advances to customers measured at fair value through profit or loss	13,280	
Trading securities	263	304
Investment securities measured at fair value through other comprehensive income	164,650	
Investment securities measured at fair value through profit or loss	932	
Available for sale securities		214,157
Held to maturity securities		558
Loans and receivables securities		828
Derivative financial instruments	149,546	97,597
Other	2,363	8,272
<b>Total</b>	<b>2,278,188</b>	<b>2,514,338</b>
<b>Interest expense and similar charges</b>		
Due to banks	(67,126)	(188,421)
Due to customers	(197,459)	(184,273)
Debt securities in issue and other borrowed funds	(24,232)	(13,457)
Derivative financial instruments	(154,765)	(104,758)
Other	(78,561)	(80,837)
<b>Total</b>	<b>(522,143)</b>	<b>(571,746)</b>
<b>Net interest income</b>	<b>1,756,045</b>	<b>1,942,592</b>

During the year 2018, net interest income decreased compared to the year 2017, mainly due to a) the reduction of interest income from loans derived from the increased impairment losses recognized both during 2017 and 2018 as well as directly in equity of 1.1.2018, following the transition to IFRS 9 and b) the reduction of interest income on investment portfolio securities. The aforementioned decrease in net interest income was partially offset by the reduction of the financing from Eurosystem and consequently of the relevant borrowing cost.

In addition to the reduction of the Eurosystem funding balance, on 5.6.2018, it was announced from ECB that the interest rate, applicable to the Bank's financing of € 3.1 billion from the second series of Targeted Longer Term Refinancing operations (TLTRO II) is set at -0.4% retrospectively from 29.6.2016 until its maturity. The positive effect from the retrospective application of the negative interest rate up to 5.6.2018 amounts to € 18,959 and is included in the caption "Due to banks".

The following table presents interest income and interest expense calculated using the effective interest rate method, by financial asset category:

	FROM 1 JANUARY TO	
	31.12.2018	31.12.2017
Financial assets measured at amortised cost	1,873,852	2,123,389
Financial assets measured at fair value through other comprehensive income	164,650	214,157
Financial assets measured at fair value through profit or loss	14,475	304
<b>Total</b>	<b>2,052,977</b>	<b>2,337,850</b>
Financial liabilities measured at amortised cost	(288,817)	(386,151)

\* Several figures of the previous year have been restated in order to be comparable.



### 3. Net fee and commission income

	FROM 1 JANUARY TO	
	31.12.2018	31.12.2017
Loans	48,302	45,616
Letters of guarantee	50,394	57,353
Imports-exports	9,428	10,182
Credit cards	78,310	65,350
Fund Transfers	45,581	46,481
Mutual funds	34,625	38,424
Advisory fees and securities transaction fees	1,228	1,178
Brokerage services	5,955	4,436
Foreign exchange trades	18,491	19,139
Other	42,857	35,335
<b>Total</b>	<b>335,171</b>	<b>323,494</b>

During 2018, net fee and commission income presents an increase which is mainly attributed to a) the increase in commissions from credit cards resulting from the increased volume of transactions, b) to the increase in commissions from the issuance of loans resulting from the increase in Bank's activities and c) to the provision of banking and insurance products resulting from higher volume of transactions. The aforementioned increase was partially offset by the decrease in commissions from letters of guarantee resulting from lower business volume and the decrease in commissions from mutual fund mainly due to unfavorable market conditions.

The table below presents income from contracts per operating segment, that fall within the scope of IFRS 15:

FROM 1 JANUARY TO 31.12.2018							
	Retail Banking	Corporate Banking	Asset Management/ Insurance	Investment Banking/ Treasury	South-Eastern Europe	Other/ Elimination Center	Total
<b>Fee and commission income</b>							
Loans	5,418	39,565	194	3,391	765		49,333
Letters of guarantee	2,113	45,756	5	709	1,811		50,394
Imports-exports	2,473	6,316		17	622		9,428
Credit cards	85,992	51,423	12	157	8,019		145,603
Fund Transfers	21,031	10,046	260	2,132	12,112		45,581
Mutual funds			34,541	84			34,625
Advisory fees and securities transaction fees				996	232		1,228
Brokerage services	135			6,253	177		6,565
Foreign exchange trades	13,470	4,527	2		492		18,491
Other	23,209	3,684	9,850	118	11,279		48,140
<b>Total</b>	<b>153,841</b>	<b>161,317</b>	<b>44,864</b>	<b>13,857</b>	<b>35,509</b>	<b>-</b>	<b>409,388</b>
<b>Other income</b>							
Hotel services					2,173		2,173
Disposals of fixed assets		10			2,385	1,304	3,699
Other	2,111	1,116	10	2,572	1,200	4,499	11,508
<b>Total</b>	<b>2,111</b>	<b>1,126</b>	<b>10</b>	<b>2,572</b>	<b>5,758</b>	<b>5,803</b>	<b>17,380</b>

"Other income" of Income Statement includes additionally Income from insurance activities, insurance indemnities (note 7) and Operating lease income which are not presented in the above table since they do not fall within the scope of IFRS 15.





#### 4. Dividend income

	FROM 1 JANUARY TO	
	31.12.2018	31.12.2017
Shares of trading portfolio	1	
Shares of investing portfolio measured at fair value through other Comprehensive Income	1,309	
Shares of investment measured at fair value through profit or loss	34	
Shares available for sale		1,435
<b>Total</b>	<b>1,344</b>	<b>1,435</b>

#### 5. Gains less losses on financial transactions and impairments on Group companies

	FROM 1 JANUARY TO	
	31.12.2018	31.12.2017
Foreign exchange differences	11,227	23,216
Trading securities:		
- Bonds	1,685	1,098
- Shares	(778)	141
Financial assets measured at fair value through profit or loss:		
- Bonds	445	
- Other securities	(1,605)	
- Loans	(34,036)	
Financial assets measured at fair value through other comprehensive income:		
- Bonds	497,447	
- Other securities	(390)	
Securities available for sale and held to maturity:		
- Bonds		101,047
- Shares		(40,382)
- Other securities		3,274
Impairments/sale of holdings	(5,376)	5,074
Derivative financial instruments	7,404	79,735
Other financial instruments	(13,234)	(28,501)
<b>Total</b>	<b>462,789</b>	<b>144,702</b>

Current period's "Gains less losses on financial transactions and impairments on Group companies" were affected mainly by:

- Gains of € 497,447 included in the caption «Bonds at fair value through other comprehensive income» that relates to gains of sales of Greek Government Bonds and Greek T-bills of € 489,137 and other corporate and government bonds of € 8,310.
- Loss of € 34,036 resulting from loans measured at fair value through profit or loss following the change in their valuation within 2018, as well as from derecognition.
- Loss of € 7,300 included in the caption «From impairments / sale of holdings» and concerns the valuation of APE Investment Property A.E., which is classified as assets held for sale according to IFRS 5 (note 49).

The "Gains less losses on financial transactions and impairments on Group companies" from financial transactions of the period 2017 were affected mainly by:

- Gains of € 101,047 included in the caption "Bonds" of investment portfolio concern mainly gains of disposals of Greek Government Bonds of € 79,158 and other corporate bonds of amount of € 18,543. In the aforementioned amount of gains from the disposal of Greek Government Bonds, an amount of € 30,540 is included, arising from the participation of the Bank in the exchange of Greek Government Bonds, as thoroughly presented in note 20.
- Loss of € 37,525 included in the caption "Shares" of investment securities portfolio and concerns the impairment of shares.



- Gains of €58,546 included in “Derivative Financial Instruments” concerns the credit valuation adjustment of transactions with the Greek Government due to the reduce of its credit risk as well as the guarantee’s endowment.
- Loss of €37,264 included in the caption “Other financial instruments” and concerns the Group’s initial recognition of financial receivables, in the context of the loans and receivables restructuring.
- Gains of €13,491 resulting from the sale of loans’ portfolio included in the caption “Other financial instruments”. In details, during 2017, Bank’s subsidiary Alpha Bank Romania S.A., entered into an agreement with a prospective buyer, regarding the sale of a portion of its retail loan portfolio. After the partial completion of the sale agreement the corresponding gain resulted, whilst details of the transaction are included in note 49.

## 6. Gains less losses on derecognition of financial assets measured at amortised cost

The table below presents gains less losses on derecognition of financial assets measured at amortised cost for the year 2018 as well as their carrying amount before derecognition.

	FROM 1 JANUARY TO 31.12.2018			
	Carrying Amount	Losses from derecognition	Gains from derecognition	Gains less losses from derecognition
Early repayments				
- Loans	712,400	(1,400)	1,733	333
Sales				
- Loans	495,943	(22,357)	24,033	1,676
- Securities				
Significant modifications				
- Loans	254,098	(12,325)	9,270	(3,055)
- Securities				
Debt to equity				
- Loans	87,128	(1,170)	2,099	929
<b>Total</b>	<b>1,549,569</b>	<b>(37,252)</b>	<b>37,135</b>	<b>(117)</b>

The caption “Early repayments” includes gains and losses recognized due to the recognition in the income statement of the unamortised amounts of commissions and expenses that were capitalised for loans that were early repaid.

The caption “Sales” includes loans which were sold during the year 2018. Part of these loans is described in detail in note 49.

The caption “Significant modifications” includes the carrying amount of loans which were derecognized during the year 2018 following the significant modification of their contractual terms, as well as gains and losses resulting from the difference arisen between the carrying amount of loans derecognised and in the fair value of the new loans recognized.

The caption “Debt to equity” includes loans for which the Bank in the context of renegotiation of their terms, participated in debt to equity agreements.

## 7. Other income

	FROM 1 JANUARY TO	
	31.12.2018	31.12.2017
Insurance activities	(984)	(4,652)
Hotel activities	2,173	1,239
Operating lease income	19,981	18,566
Sale of fixed assets	3,699	17,114
Other	24,821	22,241
<b>Total</b>	<b>49,690</b>	<b>54,508</b>



The income from “Hotel activities” concerns the subsidiary TH Top Hotels which was acquired on 20.6.2017.

The caption “Other” includes insurance indemnities of € 13,000 which relates to prior years’ losses.

It is noted that the caption “Sale of Fixed Assets” of 2017 includes gains of € 14,455 arising from the sale of building of the subsidiary Alpha Bank London Ltd, while the caption “Other” includes income of € 2,000, which relates to unused provisions to cover operational risk.

Income from insurance activities is analyzed as follows:

	FROM 1 JANUARY TO	
	31.12.2018	31.12.2017
<b>Life insurance</b>		
Premiums and other related income	55,586	43,386
Less:		
Reinsurance premium		
- Commissions	(358)	(290)
- Claims from policyholders	(56,212)	(47,748)
<b>Total</b>	<b>(984)</b>	<b>(4,652)</b>

## 8. Staff costs

	FROM 1 JANUARY TO	
	31.12.2018	31.12.2017
Wages and salaries	340,665	337,869
Social security contributions	90,567	96,869
Employee defined benefit obligation of Group (note 31)	5,701	4,905
Other charges	38,392	34,735
<b>Total</b>	<b>475,325</b>	<b>474,378</b>

The total number of employees in the Group as at 31.12.2018 was 11,314 (31.12.2017: 11,727) out of which 8,147 (31.12.2017: 8,667) were employed in Greece and 3,167 (31.12.2017: 3,060) were employed abroad.

Staff wages and salaries have been positively affected by the reduction of staff employed by the Bank, by 556, which was partially offset by the recognition of a provision for the performance incentives scheme to employees, amounting to € 9,450 and adjustments in other companies of the Group.

### Defined contribution plans

All the employees of the Bank are insured for their main pension plans by the Social Insurance Fund (IKA-ETAM). The Social Insurance Fund (IKA-ETAM) as of 1.1.2017 consists part of the Single Social Security Body (E.F.K.A.), a public law entity established under the provisions of Law 4387/2016. In addition for the Bank’s employees, the following also apply:

- a. The supplementary pension plan for employees of the former Ionian and Popular Bank of Greece is T.A.P.I.L.T.A.T., a multi-employer plan. The Bank has obtained legal opinions that indicate that it has no obligation if this fund does not have sufficient assets to pay employee benefits. Therefore the Bank considers that the fund is a defined contribution plan and has accounted for it as such.
- b. Employees of former Ionian and Popular Bank of Greece and former Emporiki Bank are insured for the lump sum benefit in the “Bank Employee and Companies Common Benefit Plan” (T.A.Y.T.E.K.O.) which is a defined contribution plan with contributions paid only by employees. In accordance with article 74 of Law 4387/2016, the Care Sectors of the “Bank Employee and Companies Common Benefit Plan” (T.A.Y.T.E.K.O.) consist part of the “Joint Supplementary Insurance Fund” (E.T.E.A.) which is renamed to “Joint Supplementary Insurance Fund and Lump Sum Benefits” (E.T.E.A.E.P.).



c. All employees of the Bank receive medical benefits from the National Organization of Health Care (EOPYY) and either in the health care sector of former T.A.Y.T.E.K.O. or former E.T.A.A., both of which have been incorporated into Single Social Security Body (E.F.K.A.) since 1.1.2017.

d. Employees of former Alpha Credit Bank, which were insured, for supplementary pension in T.A.P. (the Insurance Fund of employees of Alpha Credit Bank), from 1.1.2008, onwards are insured for supplementary pension in E.T.A.T according to article 10, Law 3620/2007. During the first three months of 2017, the Bank settled its relevant obligation amounted to € 543 million, of 10 annual interest bearing installments.

According to the Law 3455/2006, the pensioners and members insured by Emporiki Bank, who were also insured for supplementary pension in T.E.A.P.E.T.E. were absorbed by I.K.A.- E.T.E.A.M. and E.T.A.T on 31.12.2004. Emporiki Bank S.A. paid a total amount of specific contribution of € 786.6 million in ten annual interest bearing installments. The repayment of the total amount was completed with the payment of the last installment on January 2014.

When E.T.A.T. was absorbed by E.T.E.A. (Joint Supplementary Insurance Fund) and up to 31.12.2016, E.T.A.T. provided for the pre-pension amount based on the provisions of Article of Association of both T.A.P. and T.E.A.P.E.T.E, as well as for the difference between the amount of pensions which arose from the calculation of supplementary pension in accordance with the provisions of Article of Association of E.T.E.A. (former E.T.E.A.M) and T.E.A.P.E.T.E.

Law 4387/2016 provides for the incorporation of both E.T.A.T. and the pre-retirement scheme pensioners of E.T.E.A. to E.F.K.A., as of 1.1.2017.

#### e. Savings Insurance Plans

i) The Bank, in cooperation with AXA Insurance, has created a savings plan. The plan's effective date is January 1, 2011 and its aim is to provide a lump sum monetary benefit to retiring employees.

The plan assets consist of investment from the fixed monthly contributions of the Bank and its employees.

Initially the plan included Bank's personnel that were hired and insured for the first time on 1.1.1993 and onwards. After signing the Collective Labor Agreement for the 3-year period of 2016-2019, the personnel of the Group may be included in the savings plan.

Except for a certain group that was hired by the Group and were members of under the main pension scheme for the period from 1.1.1993 until 31.12.2004 (Law 2084/1992), are considered as a defined contributions plan as the benefit is paid from a savings fund that was accumulated up to the date they left the plan.

ii) Following the Board of Directors' and General Assembly's decision, the Bank provides to its senior management a group Savings Insurance Plan with effect from 1.1.2018. The plan is a defined contribution plan and aims to provide a lump-sum benefit upon retirement. The savings capital sums up from the investment of defined monthly contributions paid by the senior management and the Bank.

The Bank's "Investment Committee for Group insurance employee plans of Alpha Bank" is responsible for determining the appropriate structure of the portfolio of the aforementioned saving plans.

### Employee defined benefit obligations

An analysis of liabilities arising from defined benefit plans is included in note 31.

### Separation Scheme

In 2015, the Bank committed to further reduce its Greek Personnel (including non-financial subsidiaries), in accordance to the framework for implementation of the updated restructuring plan resulting in 9.504 maximum number of employees until 2017.

Following the above commitments and relevant decisions for their implementation, on 31.12.2015 the Bank recorded a provision amounting to € 64,300. During the fiscal years 2016 and 2017, provision was utilized amounted of € 35,262 and 18,457, respectively (Note 33).



Additionally, in the context of the three year Restructuring Plan concerning the period 2017-2019, the Bank through the facilitation of Key Restructuring Projects intends to the optimization of both efficiency and effectiveness of the operational functions, reduction of operational costs, digital transformation and in the exploitation of new solutions and infrastructures. Due to the need for reduction of personnel, as a result of the forthcoming restructuring and the necessary reallocation of roles and responsibilities, during the fourth quarter of 2017, it was decided to extend the separation scheme and consequently a new provision of € 92,719, was recognized, resulting in a total balance of € 103,300 as of 31.12.2017. In 2018, an amount of € 44,296 was used for the departure of 626 employees, resulting in a provision balance of € 59,004 as of 31.12.2018. This provision also covers the choice of the long term paid leave for up to three years, which was used by 98 employees in 2018.

## 9. General administrative expenses

	FROM 1 JANUARY TO	
	31.12.2018	31.12.2017
Operating lease rentals for buildings	38,249	39,932
Rent and maintenance of EDP equipment	18,937	18,639
EDP expenses	24,206	26,977
Marketing and advertisement expenses	29,290	27,454
Telecommunications and postage	16,877	20,008
Third party fees	72,465	76,618
Consultants fees	8,884	8,639
Contribution to the Deposit Guarantee Fund - Investment fund and Resolution Scheme	54,798	51,203
Insurance	8,890	9,365
Consumables	5,784	5,070
Electricity	9,145	9,859
Third party fees for client list expansion	60	62
Taxes (VAT, real estate etc)	92,036	94,352
Services from collection agencies	16,417	32,844
Building and equipment maintenance	8,461	7,831
Security of buildings-money transfers	13,931	12,728
Cleaning	5,381	4,890
Commission for the amount of Deferred tax Asset guaranteed by the Greek Government (note 13)	5,618	11,510
Other	102,926	96,979
<b>Total</b>	<b>532,355</b>	<b>554,960</b>

General administrative expenses present a decrease in 2018 compared to the previous year, mainly due to (a) the fact that the comparative year was burdened with the amount of € 5,784, relating to the annual commission on the amount of deferred tax asset guaranteed by the Greek State for the year 2016 that was accounted for in 2017, along with the relevant commission for the year 2017, since according to the provisions of article 82 of Law 4472/19.5.2017, the payment of the commission is made within six months from the end of each tax year, with first application on 30.6.2017, and (b) the reduction of certain collection costs which under IFRS 9 adjust the carrying amount of the relevant loans and are amortised over their remaining life using the effective interest rate method.

The above reductions were partially offset by the increase of the contribution to the Hellenic Deposit & Investment Guarantee Fund, as a result of the increase of the Bank's share in the calculation of the total annual contributions attributable to the Hellenic Deposit & Investment Guarantee Fund, by the participating Banks, for the repayment of liabilities to Resolution Scheme that were recognised from the date that Law 4021/2011 (A'2018) came into force up to the date of the enforcement of Law 4335/2015 (A'87).



## 10. Other expenses

	FROM 1 JANUARY TO	
	31.12.2018	31.12.2017
Losses from write-off/impairments on fixed and intangible assets	47,441	81,184
Other provisions (note 33)	4,751	11,351
Other	464	(21,301)
<b>Total</b>	<b>52,656</b>	<b>71,234</b>

The caption "Losses from write-off/impairments on fixed and intangible assets" as at 31.12.2018 includes an amount of €46,717 that resulted from the recognition of impairment losses of Investment Property, property, plant and equipment, property obtained through auctions, intangible assets of the Group and other held for sale assets (notes 22, 23, 24 and 49) (31.12.2017: €79,281). The aforementioned impairment losses are included in the operating segment "Other / Elimination Center" in note 42 "Operating segments".

Other provisions relate to legal cases against the Group (31.12.2017: 10,349), (note 33).

The caption "Other" as at 31.12.2017 relates to revenue from unused provisions.

## 11. Impairment losses and provisions to cover credit risk on loans and advances to customers

The caption of "Impairment losses and provisions to cover credit risk" amounting to €1,730,647 for the fiscal year 2018 and €1,005,415 for the fiscal year 2017, includes the impairment losses and provisions to cover credit risk on loans and advances to customers, which are presented in the table below, along with the impairment losses on other financial instruments, which are presented in note 12.

	FROM 1 JANUARY TO	
	31.12.2018	31.12.2017
Impairment losses on loans	1,640,997	1,028,523
Impairment losses on advances to customers	15,218	4,373
Provisions to cover credit risk on off balance sheet items (note 33)	(17,957)	(2,233)
Gains/(Losses) on modifications of contractual terms of loans and advances to customers	108,202	
Recoveries	(25,302)	(25,248)
Impairment losses of other assets	1,932	
<b>Total</b>	<b>1,723,090</b>	<b>1,005,415</b>

In contrary to IAS 39, under which the Group recognized incurred credit losses, IFRS 9, implemented from 1.1.2018, requires the recognition of expected credit losses. As a result, the above figures for years 2017 and 2018 are not comparable.

For the year 2018, Impairment losses and provisions to cover credit risk amounted to €1,723,090 and included the following:

- Impairment losses on loans and provision to cover credit risk relating to off balance sheet items, which resulted from the impairment assessment exercises that the Group performs on a quarterly basis. The methodology for the calculation of the expected credit losses as well as explanation regarding of how significant changes in the gross carrying amount contribute to the change in the expected credit losses and impairment losses of the year, are described in note 43.1.
- Impairment losses which related to advances to customers for which the Group applies the simplified approach for the calculation of expected credit loss, as provided by IFRS 9.
- Lastly, losses on modification of contractual terms of loans and advances to customers, which relate to cases for which the expected change in contractual cash flows is not substantial and does not result in a derecognition, the carrying amount of the loan will be adjusted to reflect the present value of the modified cash flows discounted with the original effective interest rate.

**(Gains)/Losses on modifications of contractual terms of loans and advances to customers**

The Group, in the context of renegotiation with borrowers and restructurings, proceeds with the modifications of the contractual cash flows of the loans in order to ensure their regular repayment.

The following table presents Loans and Advances to customers modified (which were not derecognised) during the year when they had a life time expected credit loss.

	<b>FROM 1 JANUARY TO 31.12.2018</b>
Net carrying amount before the modification	9,298,292
Net profit or (loss) due to the modification	(100,323)

The following table presents the carrying amount of Loans and Advances to customers modified since initial recognition at a time they had a life time expected credit loss and for which the allowance is measured based on 12-month expected credit risk losses at the end of the year.

	<b>31.12.2018</b>
Gross carrying amount at the end of the year	2,026,181

**12. Impairment losses on other financial instruments**

	<b>31.12.2018</b>	<b>FROM 1 JANUARY TO 31.12.2017</b>
Impairment losses on debt securities and other securities measured at fair value through other comprehensive income	7,575	
Impairment losses on due from banks	(18)	
<b>Total</b>	<b>7,557</b>	-

During the transition to IFRS 9, the Group recognized in retained earnings, impairment losses of €87,411 for debt securities measured at fair value through other comprehensive income and of €274 for due from banks, resulting in accumulated impairment of €70,235.

Impairment losses on debt securities for the year 2018 were positively by the upgrade of the Greek Government credit rating, despite the increase of the placements resulting in the recognition of new impairment losses (note 43.1).

There was no material change in credit parameters used for the calculation of impairment losses on due from Banks.

**13. Income tax**

In accordance with Article 1 par 4 of Law 4334/2015 “Urgent prerequisites for the negotiation and conclusion of an agreement with the European Stability Mechanism (ESM)” the corporate income tax rate for legal entities in Greece increased from 26% to 29%. The increased rate has been applied for profits arising in fiscal years commencing on or after 1 January 2015.

Based on Article 23 of Law 4579/2018 “Obligations of air carriers concerning passenger records-adaptation of legislation to Directive (EU) 2016/681 and other provisions” which amends article 58 of the Income Tax Code, the corporate income tax rate for legal entities will be gradually reduced from 29% effective today, to 25% for income earned in the tax year 2022 and onwards. The tax rate will be reduced by one percent each year, effective from the tax year 2019, for which the tax rate is set at 28%. With explicit reference to the law, this reduction does not apply to credit institutions, for which the tax rate remains at 29%.



For the Bank' subsidiaries and branches operating in other countries, the applicable nominal tax rates for the year 2018 are as follows, with no changes compared to the tax rates of year 2017:

Cyprus	12.5	Albania	15
Bulgaria	10	Jersey	10
Serbia	15	United Kingdom	19* (from 1.4.2017)
Romania	16	Ireland	12.5
FYROM	10		

In accordance with article 65A of Law 4174/2013, from 2011, the statutory auditors and audit firms conducting statutory audits to a Societe Anonyme (AE), are obliged to issue an Annual Tax Certificate on the compliance on tax issues. This tax certificate is submitted to the entity being audited within the first ten days of the tenth month after the end of the audited financial year, as well as, electronically to the Ministry of Finance, no later than the end of the tenth month after the end of the audited financial year. In accordance with article 56 of Law 4410/03.08.2016 for the fiscal years from 1.1.2016 and onwards, the issuance of tax certificate is optional. However, the Group and its companies intended to continue to obtain the tax certificate.

For the fiscal years 2011 up to 2017, the tax audit based on article 65A of L. 4174/2013 has been completed for both the Bank and the Group companies in Greece, and they have received the relevant tax certificates without any qualifications on the tax issues covered. The tax audit for the fiscal year 2018 is in progress.

The income tax in the income statement is analysed in the table below:

	FROM 1 JANUARY TO	
	31.12.2018	31.12.2017
Current tax	29,300	22,740
Audit tax difference and other provisions	52,631	15,638
Deferred tax	(424,243)	37,233
<b>Total</b>	<b>(342,312)</b>	<b>75,611</b>

Deferred tax recognized in the income statement is attributable to temporary differences, the effect of which is analysed in the table below:

	FROM 1 JANUARY TO	
	31.12.2018	31.12.2017
Debit difference of Law 4046/2012	44,554	44,554
Debit difference of Law 4465/2017	(692,028)	1,685
Write-offs and depreciation of tangible assets	9,855	6,604
Loan portfolio	135,130	(107,797)
Valuation of loans due to hedging	(80)	(209)
Defined benefit obligation and insurance funds	1,344	19,480
Valuation of derivatives	6,454	29,247
Effective interest rate	799	1,145
Valuation of liabilities to credit institutions and other borrowed funds due to fair value hedge	(3,842)	(39,705)
Valuation/Impairment of investments	(158,514)	59,606
Valuation/Impairment of bonds and other securities	87,948	(58,035)
Tax losses carried forward	144,148	125,282
Other temporary differences	(11)	(44,624)
<b>Total</b>	<b>(424,243)</b>	<b>37,233</b>

\* Up to 31.3.2017 the tax rate was 20%.





Caption “Debit difference of Law 4046/2012” relates to the deferred tax asset on tax losses, due to the Bank’s participation in the Greek government bonds exchange program (PSI) and the Greek government bond buyback program on December 2012, which have been recognized as a debit difference in accordance with Law 4046/14.2.2012 and Law 4110/23.1.2013. According to Law 4110/23.1.2013 the “debit difference” is deductible for tax purposes, gradually in equal installments, within 30 years.

Moreover, according to article 5 of Law 4303/17.10.2014 “Ratification of the Legislative Act Emergency legislation to replenish the General Secretary of Revenue due to early termination of his service (A’ 136) and other provisions”, which replaced article 27A of law 4172/2013, deferred tax assets of legal entities supervised by the Bank of Greece, under article 26 paragraphs 5, 6 and 7 of Law 4172/2013 that have been or will be recognized and are due to the debit difference arising from the PSI and the accumulated provisions and other general losses due to credit risk, with respect to amounts up to 31 December 2014, are considered final and settled claims against the State, if, the accounting result for the period, after taxes, is a loss, based on the audited and approved financial statements by the Ordinary Shareholders’ General Meeting.

The inclusion in the Law is performed with the approval of the General Meeting of Shareholders and relates to tax assets arising from 2016 onwards, and refers to the fiscal year 2015 and onwards, while there is provision for the termination of inclusion with the same procedure and after obtaining relevant approval from the regulatory authority.

According to article 4 of Law 4340/1.11.2015 «Recapitalization of financial institutions and other provisions of the Ministry of Finance» the above were amended regarding the time of the application which is postponed for a year. In addition the amount of the relevant deferred tax asset which is included in the above provisions of article 5 of Law 4303/17.10.2014 and relates to accumulated provisions and other general losses due to credit risk, is limited to the amount related to the provisions for credit risk, which were accounted until 30.6.2015.

In connection with the amount included in caption “Debit difference of Law 4465/2017”, according to article 43 of Law 4465/4.4.2017 “Integration of Directive 2014/92/EU of the European Parliament and Council held on 23.7.2014 for the comparability of charges related to payment accounts, the change of payment account and the access to payment accounts with basic characteristics and other provisions”, the articles 27 and 27A of the Income Tax Code were amended (Law 4172/2013). According to the new legislation, the debit difference that relates to the loss, that will arise from the write-off of debtors’ debts and from the sale of loans of the legal entities supervised by the Bank of Greece, is recognised as a deduction from gross income and is amortised equally over a period of 20 years. The deferred tax asset which will be recognized for the abovementioned debit difference as well as of any accounting write-offs of loans or credits, not converted into debit difference until the end of the year when the accounting write-off took place, are converted into a definite and cleared claim against the State, based on the abovementioned terms and conditions.

Based on the above mentioned Law, the total amount of deferred tax asset from (a) the debit difference from the write-off of debtors’ debts and the sale of loans, (b) the temporary differences from any accounting write-off of loans and credits and (c) the temporary differences from accumulated provisions and other losses due to credit risk, is limited to the total tax amount related to accumulated provisions and other losses due to credit risk, recognised until 30.6.2015.

This amendment ensures that the loan write-offs and disposals, aiming to decrease the non performing loans, will not result in the loss of regulatory capital.

The above apply from 1.1.2016.

On 31.12.2018 the amount of deferred tax assets which is estimated to be within the scope of the Law 4465/2017, as well as the unamortised balance of the debit difference of PSI amounts to € 3,240.6 million (31.12.2017: € 3,296 million).

According to article 82 of Law 4472/19.5.2017 “Public Pension Provisions and amendment of provisions of Law 4387/2016, measures for the implementation of budgetary targets and reforms, social support measures and labor regulations, Medium-term Fiscal Strategy Framework 2018-2021 and other provisions” credit institutions and other entities that fall under the provisions of article 27A of Law 4172/2013, are required to pay an annual commission to the Greek State for the amount of the guaranteed deferred tax asset that results from the difference between the tax rate currently in force (29%) and the tax rate that was in force until 31.12.2014 (26%). The respective amount has been included in caption “General and administrative expenses”.



The Bank, taking into account the provisions of Law 4465/2017 and the interpretative circular of AADE (DEAF B1049915 / 28.3.2018), according to which, in case of recognition of debit difference, there is obligation to reverse only any recognized specific provision for individual loans, and based on its Business Plan, reassessed the temporary differences between the accounting and tax base of loans and advances to customers as at 31.12.2018 and recognized an additional deferred tax asset of € 290.000.

As at 31.12.2018 the Group has not recognized deferred tax asset of € 170,217 (31.12.2017: € 148,681) originated mainly over tax losses carried forward from subsidiaries, which are reassessed at every reporting date, in the process of the recoverability of deferred tax assets.

The following table summarizes the deferred tax assets that have not been recognized as of 31.12.2018, per year of maturity of the related tax losses:

Year of maturity of tax losses	Deferred Tax Assets
2019	16,842
2020	42,065
2021	16,037
2022	54,519
2023	22,108
2024	953
2025	169
<b>Total</b>	<b>152,693</b>

As at 31.12.2018 the Group has not recognized deferred tax asset of € 59,300, on the temporary differences between the accounting and tax base of investments in subsidiaries, associates and joint ventures of the Bank, as they are not expected to be sold in the foreseeable future.

A reconciliation between the effective and nominal tax rate is provided below:

	FROM 1 JANUARY TO			
		31.12.2018		31.12.2017
	%		%	
<b>Profit/(loss) before income tax</b>		<b>(289,353)</b>		<b>165,120</b>
Income tax (nominal tax rate)	14.49	(41,920)	46.29	76,431
<b>Increase/(decrease) due to:</b>				
Non taxable income	2.09	(6,059)	(10.06)	(16,607)
Non deductible expenses	(2.03)	5,875	7.21	11,907
Impact from the reassessment of the tax base of loans portfolio	100.22	(290,000)		
Adjustment in tax rates for the estimation of deferred tax	(3.17)	9,169		
Tax audit difference			9.47	15,638
Deferred Tax recognition for temporary differences of previous years			(1.88)	(3,100)
Non-recognition of deferred tax for temporary differences of the current period	(9.34)	27,024	23.62	38,997
Other provisions	(18.19)	52,631		
Other temporary differences	34.23	(99,032)	(28.86)	(47,655)
<b>Total</b>	<b>118.30</b>	<b>(342,312)</b>	<b>45.79</b>	<b>75,611</b>

The nominal tax rate is the weighted average nominal tax rate which is calculated using the income tax ratio on profit/loss before taxes, for the Bank and each of the Group's subsidiaries.

**Income tax of other comprehensive income**

	FROM 1 JANUARY TO					
	31.12.2018			31.12.2017		
	Before Income tax	Income tax	After Income tax	Before Income tax	Income tax	After Income tax
<b>Amounts that may be reclassified to the Income Statement</b>						
Net change in available for sale securities' reserve				507,665	(139,208)	368,457
Net change in securities' reserve measured at fair value through other comprehensive income	(556,366)	160,830	(395,536)			
Net change in cash flow hedge reserve	(2,719)	788	(1,931)	52,774	(15,304)	37,470
Foreign exchange differences on translating and hedging the net investment in foreign operations	11,002	(2,378)	8,624	67,824	(722)	67,102
Changes in the share of other comprehensive income of associates and joint ventures	(149)		(149)	72		72
	<b>(548,232)</b>	<b>159,240</b>	<b>(388,992)</b>	<b>628,335</b>	<b>(155,234)</b>	<b>473,101</b>
<b>Amounts that will not be reclassified to the Income Statement</b>						
Net change in actuarial gains/(losses) of defined benefit obligations	1,171	(357)	814	(2)	(26)	(28)
Gains/(Losses) from shares measured at fair value through other comprehensive income	(7,314)	850	(6,464)			
	<b>(6,143)</b>	<b>493</b>	<b>(5,650)</b>	<b>(2)</b>	<b>(26)</b>	<b>(28)</b>
<b>Total</b>	<b>(554,375)</b>	<b>159,733</b>	<b>(394,642)</b>	<b>628,333</b>	<b>(155,260)</b>	<b>473,073</b>

On 1.1.2018, a credit amount of deferred tax of € 412,173 was recognized in "Retained earnings", as well as a debit amount of deferred tax of € 20,244 was recognized in "Reserves" (note 44), as a result of the implementation of IFRS 9.

During 2017 "Retained earnings" included a tax credit of € 79 resulting from the share capital increase expenses held on 23.2.2017.

Finally, pursuant to the provisions of Law 2238/1994, as in force until 2012, interest income from T-bills and Greek Government bonds, as well as interest from corporate bonds issued by Greek companies, was taxed under a special regime subject to withholding. Furthermore, the above income was included in the total taxable income of credit institutions and was taxed at the applicable tax rate, in force, while the withholding tax was offset against the corporate income tax. Based on prior decisions of the Hellenic Council of State (Council of State 1463/2014, Council of State 1833/2015) it has been decided that, in the absence of an explicit provision, any credit balance resulting from the above offsetting should be refunded from the Greek State. Additionally, article 3§6 of Law 4046/2012 provided that "The credit balance resulting from the income tax returns of the banks, irrespective of the legal form operating in Greece, for the financial year 2011 and afterwards, in so far as it is due to a tax deducted on interest from bonds or treasury bills of Greek Government and bonds of Greek companies, with the Greek State's guarantee, is offset against income tax successively in the next five (5) years from the creation of the credit balance, according to the remaining balance". In October 2018, the Hellenic Council of State issued its decision No.1526/2018, which is in contrast with the case Law of the same court rendered on similar cases (Council of State 1463/2014, Council of State 1833/2015). Based on this decision, the Hellenic Council of State accepted the arguments of tax authority and cancelled the decision No 1253/2015 of the Administrative Court of Appeal of Athens, based on which an amount of €21,302 concerning former Emporiki Bank's (which has already been merged through absorption by the Bank) withholding taxes on interest from bonds and treasury bills for the year 2008, was refunded. The above mentioned decision No.1526/2018 of Hellenic Council of State interpreted the Greek Tax Law applicable for the year 2008, concluding that such



withholding taxes are allowed to be offset only against the banks' annual corporate income tax, and any excess part «is not refundable but remains to be deducted at the time of distribution of profits that correspond to the income taxed under special regime, as also remains to be deducted for the same distribution time the aggregated withholding tax in case of loss». The Hellenic Council of State decision does not make any judgment regarding the amounts that have been incurred pursuant to article 3§6 of Law 4046/2012.

In addition to the amount mentioned above, the Bank's receivables from the Greek State, affected by the above mentioned decision No.1526/2018, amounted to € 63,854, of which an amount of €11,816 has already been returned as a result of prior court decisions.

In addition to the above, a receivable from the Greek State amounting to € 47,106 regarding withholding tax on interest from Greek Government bonds and corporate bonds guaranteed by the Greek State for fiscal years up to 2012, pursuant to the provisions of article 3§6 of law 4046/2012.

The Bank has appealed against the Greek State in the European Court of Human Rights invoking violation of Article 1 of Protocol 1 (Protection of Property) of the European Convention of Human Rights and estimates, following relevant legal opinion, that the appeal will be in favor of the Bank. According to the assessment of the Legal Department, a positive decision in favor of the Bank will also be res judicata for the other disputed cases for the refunding of withholding taxes, including the credit balances under the provisions of Law 4046/2012.

On 27.3.2019 an amendment to the draft law «Alignment of Greek legislation with the European Parliament and Council Directive (EU) 2016/943 of 8.6.2016 on the protection of undisclosed know-how and business information (trade secrets) against their unlawful acquisition, use and disclosure (EEL 157, 15.6.2016). Measures for accelerating the work of the Ministry of Economy and other provisions « was submitted. Based on this amendment:

- The credit balances of fiscal years 2008 and 2010 up to 2012 that arose from withholding taxes on specially taxed income are transferred and will be offset at the time when income tax is incurred and in proportion to that tax. This set-off procedure also includes any amounts refunded by virtue of court decisions, for which the obligation to return them to the Greek State is borne at the time and proportionally to the amount of the income tax recognized.
- The credit balances that arose under Law 4046/2012 and have not been offset after the end of the five-years period from their recognition, will be offset starting from 1.1.2020 in ten equal annual installments with any tax liability of the banks.

Following the ratification of the draft law (including the above mentioned amendment), the amounts of withholding taxes affected by the decisions of the Hellenic Council of State will be subject to the offset procedure as described above.



## 14. Earnings/(losses) per share

### a. Basic

Basic earnings/(losses) per share are calculated by dividing the net profit/(losses) after income tax for the year attributable to ordinary equity owners of the Bank, by the weighted average number of outstanding ordinary shares, after deducting the weighted average number of treasury shares held by the Bank, during the period.

### b. Diluted

Diluted earnings/(losses) per share are calculated by adjusting the weighted average number of ordinary shares outstanding to the presumed conversion amount of all dilutive potential ordinary shares. The Bank does not have any dilutive potential ordinary shares and consequently the basic and dilutive earnings/(losses) per share should not differ.

	FROM 1 JANUARY TO	
	31.12.2018	31.12.2017
<b>Profit/(losses) attributable to equity owners of the Bank</b>	<b>52,961</b>	<b>21,071</b>
Weighted average number of outstanding ordinary shares	1,543,699,381	1,542,690,664
Basic and diluted earnings/(losses) per share (in €)	0.0343	0.0137

	FROM 1 JANUARY TO	
	31.12.2018	31.12.2017
<b>Profit/(losses) from continuing operations attributable to equity owners of the Bank</b>	<b>52,961</b>	<b>89,528</b>
Weighted average number of outstanding ordinary shares	1,543,699,381	1,542,690,664
Basic and diluted earnings/(losses) per share (in €) from continuing operations	0.0343	0.0580

	FROM 1 JANUARY TO	
	31.12.2018	31.12.2017
<b>Profit/(losses) from discontinued operations attributable to equity owners of the Bank</b>	<b>-</b>	<b>(68,457)</b>
Weighted average number of outstanding ordinary shares	1,543,699,381	1,542,690,664
Basic and diluted earnings/(losses) per share (in €) from discontinued operations	-	(0.0444)

On 23.2.2017, as a result of exercising the conversion right of all bondholders, the Bank increased its share capital, due to the conversion of the convertible bond that was issued on 1.2.2013, under the agreement with Credit Agricole S.A. for the acquisition of former Emporiki Bank.

From the conversion, 6,818,181 new common shares were issued representing 0.44% of total shares, which were taken under consideration for the calculation of the weighted average number of outstanding ordinary shares of period 1.1.2017 to 31.12.2017.



## ASSETS

## 15. Cash and balances with Central Banks

	31.12.2018	31.12.2017
Cash	403,038	382,417
Cheques receivables	11,221	8,044
Balances with Central Banks	1,514,038	1,203,389
Allowance for impairment losses	(92)	
<b>Total</b>	<b>1,928,205</b>	<b>1,593,850</b>
Less: Deposits pledged to Central Banks	(722,351)	(763,146)
<b>Balance</b>	<b>1,205,854</b>	<b>830,704</b>

The Bank is required to maintain a current account with the Bank of Greece (Central Bank) in order to facilitate interbank transactions with the Central Bank and other financial institutions through the Trans European – Automated Real Time Gross Settlement Express Transfer System (TARGET).

The Bank of Greece also requires, that all financial institutions established in Greece to maintain reserve deposits with the Central Bank equal to 1% of customer deposits.

These deposits are interest bearing based on the refinancing rate set by the European Central Bank. On 31.12.2018, the abovementioned interest rate was 0% (31.12.2017: 0%).

The subsidiaries that operate abroad and offer banking services, maintain pledged deposits in accordance with the rules set by the respective Central Banks in their countries.

## Cash and cash equivalents (as presented in the Statement of Cash Flows)

	31.12.2018	31.12.2017
Cash and balances with central banks	1,205,854	830,704
Reverse Repos	547,180	39,654
Short-term placements with other banks	494,110	390,475
<b>Total</b>	<b>2,247,144</b>	<b>1,260,833</b>

## 16. Due from banks

	31.12.2018	31.12.2017
Placements with other Banks	926,885	760,816
Guarantees for coverage of derivative securities and sale and repurchase agreement (note 39e)	1,059,932	947,939
Sale and repurchase agreements (Reverse Repos)	547,180	39,654
Loans to credit institutions	36,620	9,201
Less:		
Allowance for impairment losses (note 43.1)	(70,125)	(41,961)
<b>Total</b>	<b>2,500,492</b>	<b>1,715,649</b>

The increase in "Due from banks" is mainly due to Reverse Repos, which were used for the assignment to the Bank of Eurozone securities used as collaterals for the targeted refinancing operation from ECB (TLTRO).



## 17. Trading securities

The following table presents an analysis of the carrying amount of trading portfolio per type of security.

	31.12.2018	31.12.2017
Bonds:		
Greek Government	6,669	5,969
Shares:		
Listed	1,670	2,716
<b>Total</b>	<b>8,339</b>	<b>8,685</b>

## 18. Derivative financial instruments (assets and liabilities)

	31.12.2018		
	Contractual Nominal amount	Fair value	
		Assets	Liabilities
<b>Derivatives held for trading purposes</b>			
<b>a. Foreign Exchange Derivatives</b>			
Foreign exchange forwards	339,591	5,610	4,082
Foreign exchange swaps	1,113,270	6,254	7,859
Cross currency swaps	1,442,251	67,171	55,018
Currency options	81,928	1,573	1,568
Currency options embedded in customer products	365	1	135
<b>Total non-listed</b>	<b>2,977,405</b>	<b>80,609</b>	<b>68,662</b>
Futures			
<b>Total-listed</b>	-	-	-
<b>b. Interest rate derivatives</b>			
Interest rate swaps	10,772,660	580,644	687,386
Interest rate options (caps and floors)	275,758	10,987	3,601
<b>Total non-listed</b>	<b>11,048,418</b>	<b>591,631</b>	<b>690,987</b>
Futures			
<b>Total-listed</b>	-	-	-
<b>c. Commodity derivatives</b>			
Commodity swaps	55,633	8,002	7,702
Commodity forwards	1,644	68	67
Commodity options	639	70	7
Commodity options embedded in customer products	204		62
<b>Total non-listed</b>	<b>58,120</b>	<b>8,140</b>	<b>7,838</b>
<b>d. Index derivatives</b>			
OTC options	177,000	14,565	
<b>Total non-listed</b>	<b>177,000</b>	<b>14,565</b>	-
Futures	455	19	5
<b>Total-listed</b>	<b>455</b>	<b>19</b>	<b>5</b>
<b>e. Credit derivatives</b>			
Total return swap			
<b>Total non-listed</b>	-	-	-
<b>f. Other derivatives</b>			
GDP linked security	1,216,609	3,528	
<b>Total listed</b>	<b>1,216,609</b>	<b>3,528</b>	-
<b>Derivatives for hedging purposes</b>			
<b>a. Foreign exchange derivatives</b>			
Fx swaps	103,432		684
Cross currency swaps	410,603	10,756	4,816
<b>Total non-listed</b>	<b>514,035</b>	<b>10,756</b>	<b>5,500</b>
<b>b. Interest rate derivatives</b>			
Interest rate swaps	2,073,286	15,925	374,903
<b>Total non-listed</b>	<b>2,073,286</b>	<b>15,925</b>	<b>374,903</b>
<b>Grand Total</b>	<b>18,065,328</b>	<b>725,173</b>	<b>1,147,895</b>



In the context of the daily process for setting off and providing collateral for derivatives with credit institutions counterparties the Bank has pledged as collateral a net amount of € 968,411 on 31.12.2018 (31.12.2017: € 872,171). The respective net fair value of derivatives with credit institutions amounted to € 919,329 on 31.12.2018 (31.12.2017: € 822,154).

	31.12.2017		
	Contractual Nominal amount	Fair value	
		Assets	Liabilities
<b>Derivatives held for trading purposes</b>			
<b>a. Foreign Exchange Derivatives</b>			
Foreign exchange forwards	260,117	5,797	1,000
Foreign exchange swaps	910,350	3,028	4,928
Cross currency swaps	1,780,885	88,260	43,053
Currency options	73,174	1,486	723
Currency options embedded in customer products	2,950	18	180
<b>Total non-listed</b>	<b>3,027,476</b>	<b>98,589</b>	<b>49,884</b>
Futures			
<b>Total non-listed</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>b. Interest rate derivatives</b>			
Interest rate swaps	6,314,578	462,412	588,643
Interest rate options (caps and floors)	217,911	11,098	3,692
<b>Total non-listed</b>	<b>6,532,489</b>	<b>473,510</b>	<b>592,335</b>
Futures			
<b>Total listed</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>c. Commodity derivatives</b>			
Commodity swaps	88,143	6,523	6,022
Commodity options	715	81	81
<b>Total non-listed</b>	<b>88,858</b>	<b>6,604</b>	<b>6,103</b>
<b>d. Index derivatives</b>			
OTC options	177,283	14,820	3
<b>Total non-listed</b>	<b>177,283</b>	<b>14,820</b>	<b>3</b>
Futures	160	3	
<b>Total-listed</b>	<b>160</b>	<b>3</b>	<b>-</b>
<b>e. Other derivatives</b>			
GDP linked security	1,492,397	7,462	
<b>Total-listed</b>	<b>1,492,397</b>	<b>7,462</b>	<b>-</b>
<b>Derivatives for hedging purposes</b>			
<b>a. Foreign Exchange Derivatives</b>			
FX swaps	23,725		24
Cross currency swaps	360,613	21,010	2,363
<b>Total non-listed</b>	<b>384,338</b>	<b>21,010</b>	<b>2,387</b>
<b>b. Interest rate derivatives</b>			
Interest rate swaps	1,129,225	538	378,709
<b>Total non-listed</b>	<b>1,129,225</b>	<b>538</b>	<b>378,709</b>
<b>Grand total</b>	<b>12,832,226</b>	<b>622,536</b>	<b>1,029,421</b>

## Hedging accounting

### a. Fair value hedges

The Group uses interest rate swaps to hedge the volatility in the fair value due to changes in market rates: a) of the covered bond issued in January 2018, b) part of the targeted refinancing operation from ECB (TLTRO) and c) of fixed rate loan.

The Group determines the interest rate relating to the hedged risk (euro rate) at the inception of the hedging relationship and calculates the changes in the fair value of the hedging instrument with respect to the euro interest rate curve.

In order to measure hedge effectiveness, the changes in the fair value of the hedged item are compared to the changes in the fair value of the hedging instrument and in order for the hedge to qualify as effective, the ratio of the change in the fair value of the hedging instrument over the change in the fair value of the hedged item is required to be within 80% -125% (dollar offset method).





The Group has identified the following sources which may lead to ineffective hedging:

- The credit risk (counterparty risk) of the hedging instruments used to hedge the interest rate risk which is minimized by entering into derivatives with high credit quality counterparties.
- The difference in the timing of settlement of hedging instruments and hedged items.

No other sources of ineffectiveness were identified during the year.

The hedging instruments of 31.12.2018 are summarized as follows:

	<b>Duration</b>
<b>Risk category</b>	<b>1-5 years</b>
<b>Interest rate risk</b>	
<b>Covered bond issued by the bank</b>	
Nominal amount of the derivative	500,000
Average fixed interest	0.41%
<b>Targeted long-term refinancing operations from ECB (TLTRO)</b>	
Nominal amount of the derivative	1,000,000
Average fixed interest	0.02%
<b>Corporate loan</b>	
Nominal amount of the derivative	23,286
Average fixed interest	0.02%

The balance sheet and the income statement amounts relating to fair value hedging instruments and the hedge effectiveness are analyzed as follows:

<b>2018</b>							
<b>Hedging relationship</b>	<b>Derivative category</b>	<b>Carrying amount of hedging instrument</b>		<b>Line item in the balance sheet where the hedging instrument is included</b>	<b>Change in fair value of hedging instrument using for calculating the hedge effectiveness for 2018</b>	<b>Ineffectiveness recognised in the income statement for 2018</b>	<b>Line item in the Income statement that included hedge ineffectiveness</b>
		<b>Assets</b>	<b>Liabilities</b>				
<b>Interest rate risk</b>							
Covered bond issued by the Bank	Interest rate swap	10,447		Derivatives	8,331	23	Gains less losses on financial transactions and impairments on Group companies
Targeted long-term refinancing operations ECB (TLTRO)	Interest rate swap	5,478		Derivatives	4,791	260	Gains less losses on financial transactions and impairments on Group companies
Corporate loan	Interest rate swap		85	Derivatives	(68)		Gains less losses on financial transactions and impairments on Group companies



The amounts related to balance sheet items designated as hedged items are analyzed as follows:

2018						
Hedging relationship	Carrying Amount		Accumulated amount of fair value hedge adjustments on the hedged item		Line item in the balance where the hedged item is included	Change in fair value of hedged item used for calculating the hedge effectiveness
	Assets	Liabilities	Assets	Liabilities		
<b>Interest rate risk</b>						
Covered bond issued by the Bank		511,843		8,308	Debt securities in issue and other borrowed funds	(8,308)
Targeted long-term refinancing operations ECB (TLTRO)		994,848		5,026	Due to banks	(4,531)
Corporate loan	23,980		68		Loans and advances to customers	68

## b. Cash flow hedges

The Group uses interest rate swaps to hedge the volatility attributed to funding from a group of term deposits in Euro. It also uses foreign exchange swaps to hedge foreign exchange risk arising from currency loans (Swiss franc).

The Group determines the referenced interest rate relating to the hedged risk (euro rate) at the inception of the hedging relationship and calculates the changes in the fair value of the hedging instrument and that of a hypothetical derivative relating to the euro interest rate curve changes.

The floating leg of the hypothetical derivative simulates the cash flows of the hedged item, whereas the fixed leg cash flows are determined so that the hypothetical derivative has a value equal to zero at inception.

To hedge the foreign currency risk of the loans in foreign currency, the hypothetical derivative component in the foreign currency, simulates the cash flows of the hedged item while the cash flows in the euro component are defined so as to make, at the inception of the hedge, the hypothetical derivative valuation at zero.

In order for the hedge to qualify as effective the ratio of the change in the fair value of the hypothetical derivative over the change in the fair values of the hedged item should be between 80% - 125% (dollar offset method).

The Group recognizes the following sources which may lead to ineffective hedging:

- The credit risk (counterparty risk) of the hedging instruments used to hedge the interest rate and the foreign currency risk which is minimized by entering into derivatives with high credit quality counterparties.
- The difference in the timing of settlement of hedging instruments and hedged items.

No other sources of ineffectiveness were identified during the year.

The hedging instruments as at 31.12.2018 are summarized as follows:

Risk classification	
	<b>Duration greater than 5 years</b>
<b>Interest rate risk</b>	
<b>Floating financing from term deposits and their renewals</b>	
Nominal amount of the derivative	550,000
Average fixed interest	2.32%
	<b>Duration &lt;1 year</b>
<b>Foreign currency risk</b>	
<b>Loans in foreign currency (CHF)</b>	
Nominal amount of the derivative	360,603
Average Foreign Exchange rate EUR/CHF	1.1093



The balance sheet and the income statement amounts relating to cash flow hedging instruments and the effectiveness of the hedging are analyzed as follows:

2018											
Hedging relationship	Type of derivative	Carrying amount of hedging instrument		Change in fair value of hedging instrument used for calculating hedge effectiveness for the year 2018	Change in the fair value of the hedging instrument recognized in the cash flow hedge reserve for the year 2018	Change in the fair value of the hedging instrument recognized in the income statement for the year 2018	Line item in the income statement category affected by the reclassification	Ineffectiveness recognised in the income statement for the year 2018	Line item in the income statement that includes hedge ineffectiveness	Amount reclassified from the cash flow hedge reserve to the income statement in 2018 from hedging relationship that have been terminated	Line item in the income statement affected by hedging relationships that have been terminated
		Assets	Liabilities								
<b>Interest risk</b>											
Term deposits and renewals	Interest rate swap		374,818	(26,482)	(7,832)	(18,505)	Net interest income	(144)	Gains less losses on financial transactions and impairments on Group companies	(5,482)	Net interest income
<b>Foreign currency risk</b>											
Loans in currency (CHF)	FX swaps	10,483	4,816	(11,823)	(255)	(13,134)	Gains less losses on financial transactions and impairments on Group companies	404	Gains less losses on financial transactions and impairments on Group companies	114	Net interest income
						1,163	Net interest income				

Amounts recognized in the cash flow hedge reserve are analyzed as follows:

31.12.2018				
	Line item in the balance sheet where the hedge item is included	Cash flow hedge reserve (before tax) from existing hedging relationships	Cash flow hedge reserve (before tax) from discontinued hedging relationships	Cash flow hedge reserve (before tax)
<b>Interest risk</b>				
Term deposits in Euro	Due to customers	(131,372)	(74,045)	(205,417)
<b>Foreign currency risk</b>				
Loans in currency (CHF)	Loans and advances to customers	19	(10)	10



### c. Hedging of net investment in foreign subsidiaries

The Group hedges part of the net investment in RON through lending transactions in RON and foreign exchange swap derivatives. In addition, the Group hedges part of the net investment in GBP in the subsidiary Alpha Bank London through forward foreign exchange derivative transactions that are renewed. For the hedging of the foreign currency risk of the net investment in foreign operations, valuation of the net assets takes place using the spot exchange rate, while any foreign exchange differences arising from this valuation are compared to exchange rate differences from the derivative. In order to measure the effectiveness of the hedge, the changes in the hedged item are compared to the changes in the hedging instrument, and in order for the hedge to qualify as effective the ratio of the change in the fair value of the hedging instrument over the change in the fair value of the hedged item should be between 80% - 125% (dollar offset method).

The Group recognizes the following sources which may lead to ineffective hedging:

- The credit risk (counterparty risk) of the hedging instruments used to hedge the foreign currency risk which is minimized by entering into derivatives with high credit quality counterparties.
- The difference in the timing of settlement of hedging instruments and hedged items.

No other sources of ineffectiveness were identified during the year.

The hedging instruments as at 31.12.2018 are summarized as follows:

	Currency	Nominal amount in Euro
<b>Investment in Alpha Bank London</b>		Duration < 1 year
FX Swaps - EUR/GBP	GBP	54,383
Exchange rate EUR/GBP	0.90	
<b>Investment in Alpha Bank Romania</b>		Duration < 1 year
Deposit amount RON	RON	300,204
Exchange rate EUR/RON	4.66	
Forward transactions CCIRS and FX Swaps-EUR/RON	RON	99,330
Exchange rate RON/EUR	4.68	

The balance sheet and the income statement amounts relating to hedging of net investment in foreign subsidiaries and the effectiveness of the hedge are analyzed as follows:

31.12.2018						
Hedging instrument	Assets	Liabilities	Line item in the balance sheet where the hedge item is included	Change in fair value of hedging instrument for the measurement of the hedge effectiveness for the year 2018	Change in the fair value of the hedging instrument recognized in the cash flow hedge reserve for the year 2018	Change in the fair value of the hedging instrument recognized in the income statement in the year 2018
FX Swaps - EUR/GBP)		243	Derivatives	469	469	
Deposit amount in RON		300,204	Due to customers	322	322	
Forward transactions CCIRS and FX Swaps-EUR/RON	273	441	Derivatives	(6)		(6)

The amounts related to hedged items are analyzed as follows:

2018			
	Change in fair value for the measurement of the hedge effectiveness	Foreign Exchange differences reserve	Balance of foreign exchange differences reserve due to discontinued hedging relationships
Investment in Alpha Bank London	(1,677)	16,925	
Investment in Alpha Bank Romania	38,405	28,515	



## 19. Loans and advances to customers

	31.12.2018	31.12.2017
Loans measured at amortised cost	50,021,398	53,427,725
Leasing	676,673	693,705
Less:		
Allowance for impairment losses	(10,977,339)	(11,031,961)
<b>Total</b>	<b>39,720,732</b>	<b>43,089,469</b>
Receivables from customers measured at amortised cost	189,127	228,724
Loans measured at fair value through profit or loss	318,460	-
<b>Loans and advances to customers</b>	<b>40,228,319</b>	<b>43,318,193</b>

As at 31.12.2018, the caption “Receivables from customers, measured at amortised cost” includes accumulated impairments of € 31,862 (31.12.2017: € 6,323).

The tables below present an analysis of the loan portfolio per type and valuation method.

It should be noted that the Bank has proceeded in securitization of consumer, corporate loans, credit cards, while Alpha Leasing S.A. has proceeded in securitization of leasing through special purpose entities controlled by them. Based on the contractual terms and structure of the above transactions (e.g. allowance of guarantees or/and credit enhancement or due to the Bank owing the bonds issued by the special purpose entities) the Bank and Alpha Leasing S.A. retained in all cases the risks and rewards deriving from securitized portfolios. These loans are presented separately in the following tables.

### Loans measured at amortised cost

	31.12.2018	31.12.2017
<b>Individuals</b>		
Mortgages	18,329,092	19,063,348
Consumer:		
- Non-securitized	3,111,220	3,320,412
- Securitized	1,205,259	1,450,276
Credit cards:		
- Non-securitized	738,038	906,224
- Securitized	589,300	548,642
Other	975	1,232
<b>Total loans to individuals</b>	<b>23,973,884</b>	<b>25,290,134</b>
<b>Companies:</b>		
Corporate loans:		
- Non-securitized	23,060,515	25,180,988
- Securitized	2,441,014	2,495,437
Leasing:		
- Non-securitized	358,871	360,268
- Securitized	317,802	333,437
Factoring	545,985	461,166
<b>Total corporate loans</b>	<b>26,724,187</b>	<b>28,831,296</b>
<b>Total</b>	<b>50,698,071</b>	<b>54,121,430</b>
Less: Allowance for impairment losses	(10,977,339)	(11,031,961)
<b>Total loans measured at amortised cost</b>	<b>39,720,732</b>	<b>43,089,469</b>

As at 31.12.2018 mortgage loans included loans amounting to € 4,624,700 (31.12.2017: € 1,112,325) that have been granted as collateral in the following covered bonds programme of the Bank Covered Bond Programme I, Covered Bond Programme II and Securitized Securities Program.



On 31.12.2018 the nominal value of the Covered Bond Issuance Program I amounted to € 500,000, Covered Bond Issuance Program II amounted to € 2,000,000 and the Secured Note Program amounted to € 1,050,000 (note 29).

On 30 September 2016 the Bank submitted to the SSM its Business Plan which included the targets for both Non-Performing Exposures (NPE) and Non-Performing Loans (NPL), along with the NPE Strategy Explanatory Note and the relevant action plan, depicting the Bank's full commitment towards the active management and reduction of NPEs by the end of 2019. In the context of the annual update of the NPE and NPL reduction target, the Bank submitted to SSM on September 2018 new targets for the following years, endorsing that by the end of 2019 NPE (on a standalone base) would not exceed € 16.8 billion.

During the first two years of the Business Plan, the Bank accomplished to achieve its NPL/NPE reduction target for that period, despite the adverse macroeconomic environment and the presence of certain impediments in the resolution of non-performing exposures, which were reflected in a different from the initial estimated evolution of different portfolios of the Bank, some with improved return and other with slightly worse. At the same time, the Bank at its updated Business Plan submitted has significantly revised its management structure, as well as its strategy to address NPL/NPE by applying among other the recommendations, guidelines and the relevant decisions of Bank of Greece, SSM and EBA.

On 31.12.2018 the balance of NPE in the Bank's total portfolio is € 21.7 billion, lower by approximately € 50 million compared to the target set in the current Business Plan.

It is noted that in the context of the European Central Bank's requirement for the Bank and the Group to be in line with other European banks, regarding the monitoring of past due exposures and the inclusion of additional data and strategic solutions until the end of March 2019, the Bank is obliged to submit and monitor an updated past due loan portfolio management plan for the years 2019 to 2021, according to the new methodology and new models of the Supervisory Authorities, both at the level of the business plan development and at the level of its achievement monitoring through reporting to the Supervisory Authorities.

The movement of accumulated allowance for impairment losses on loans that are measured at amortised cost is as follows:

### Accumulated allowance for impairment losses

<b>Balance 1.1.2017</b>	<b>12,558,253</b>
<b>Changes in the period 1.1 - 31.12.2017</b>	
Impairment losses for the year	1,028,523
Transfer of accumulated allowance for impairment losses to assets held for sale	(849,099)
Disposal of impaired loans/Disposal of subsidiaries	(70,427)
Change in the present value of the impairment losses	263,357
Foreign exchange differences	(94,518)
Loans written-off during the year	(1,952,064)
Other movements	154,259
<b>Balance 31.12.2017</b>	<b>11,038,284</b>
Reclassification of other receivables	(6,323)
<b>Balance 31.12.2017 including reclassification</b>	<b>11,031,961</b>
Impact from the implementation of IFRS 9	1,423,042
<b>Balance 1.1.2018</b>	<b>12,455,003</b>
<b>Changes in period 1.1 - 31.12.2018</b>	
Impairment losses for the year	1,861,063
Transfer of accumulated allowance for impairment losses to assets held for sale	(1,394,343)
Derecognizing due to significant modifications in loans' contractual terms	(177,703)
Change in present value of the impairment losses	123,184
Foreign exchange differences	42,191
Sales of impaired loans	(15,907)
Loans written-off during the year	(1,853,194)
Other movements	(62,955)
<b>Balance 31.12.2018</b>	<b>10,977,339</b>



Some of the captions in the table above, have been affected by the transfer of loans to “Assets available for Sale” and from the sales of loan portfolios as described in note 49.

The caption “Other movements” for the current year relates to accumulated allowance for impairment of loans for which the Group, in the context of renegotiation of their terms, participated in debt to equity exchange.

In the context of the reassessment of the hold to collect business model of loans and advances to customers, past sales are taken into account.

Considering that:

- the majority of the Group’s sales are in accordance with the Bank’s business model as they concern sales of non performing loans due to the credit rating deterioration of the debtor and
- sales are insignificant in value both individually and in aggregate,

sales are considered consistent with the Bank’s business model for loans and advances to customers.

The finance lease receivables by duration are as follows:

	31.12.2018	31.12.2017
Up to 1 year	337,604	336,976
From 1 year to 5 years	247,468	225,371
Over 5 years	161,144	209,078
	<b>746,216</b>	<b>771,425</b>
Non accrued finance lease income	(69,543)	(77,720)
<b>Total</b>	<b>676,673</b>	<b>693,705</b>

The net amount of finance lease receivables by duration is analyzed as follows:

	31.12.2018	31.12.2017
Up to 1 year	325,490	323,800
From 1 year to 5 years	213,856	193,289
Over 5 years	137,327	176,616
<b>Total</b>	<b>676,673</b>	<b>693,705</b>

### Loans measured at fair value through profit or loss

	31.12.2018	31.12.2017
<b>Individuals</b>		
Consumer		
- Non-securitized	1,152	
<b>Total</b>	<b>1,152</b>	
<b>Companies:</b>		
Corporate loans		
- Non-securitized	301,076	
- Securitized	16,232	
<b>Total</b>	<b>317,308</b>	
<b>Total of loans and advances to customers at fair value through profit or loss</b>	<b>318,460</b>	



## 20. Investment securities

	31.12.2018	31.12.2017
Securities measured at fair value through other comprehensive income	6,961,822	
Securities measured at fair value through profit or loss	42,794	
Available for sale securities		5,873,768
Securities held to maturity		10,870
<b>Total</b>	<b>7,004,616</b>	<b>5,884,638</b>

An analysis of investment securities is provided in the following tables per classification category prior to and after the implementation of IFRS 9 for the comparative and the current period respectively distinguished, per type of security.

### a. Securities measured at fair value through other comprehensive income

	31.12.2018
Greek Government	
- Bonds	2,945,977
- Treasury bills	814,650
Other Governments	
- Bonds	1,129,524
- Treasury bills	200,548
Other issuers	
- Listed	1,748,004
- Non listed	17,351
Shares	
- Listed	16,091
- Non listed	89,677
<b>Total</b>	<b>6,961,822</b>

### Investment portfolio shares valued at fair value through other comprehensive income

The Group has opted to classify the shares that meet the following characteristics as shares measured at fair value through other comprehensive income:

- Investments in companies in the financial sector (shares of credit institutions and interbank companies)
- Investments in private equity (shares of venture capital or private equity) and
- Long-term share investments

The following table presents the shares of investment portfolio measured at fair value through other comprehensive income as of 31.12.2018.

	Fair value 31.12.2018	Dividend income/interim dividends from 1.1.2018 to 31.12.2018
Investments in financial companies	42,240	1,220
Private equity investments	25,250	
Long-term investments	38,278	89
<b>Total</b>	<b>105,768</b>	<b>1,309</b>

The Group during the fiscal year, either for liquidity purposes or due to the fact that the major shareholders of certain shares acquired shares from the minority (squeeze out), proceeded with the disinvestment of Piraeus Bank S.A., Titan S.A. and Andreou & Paraskevaidis S.A. shares of total fair value of € 30,108 at the date of disposal. The above sales resulted in a total cumulative loss of € 40,889, compared to their initial cost of acquisition.



**b. Securities measured at fair value through profit or loss**

	<b>31.12.2018</b>
Other Governments	
- Bonds	9,084
Other issuers	
- Listed	11,192
- Non listed	2,735
Shares	
- Non listed	468
Other variable yield securities	19,315
<b>Total</b>	<b>42,794</b>

Securities measured at fair value through profit or loss include securities for which it was assessed that their contractual cash flows do not meet the definition of capital and interest, as provided by IFRS 9 (Solely Payments of Principal and Interest -SPPI).

**c. Available for sale**

	<b>31.12.2017</b>
Greek Government:	
- Bonds	2,487,043
- Treasury bills	1,231,351
Other Governments:	
- Bonds	521,844
- Treasury bills	220,064
Other issuers:	
- Listed	1,256,949
- Non listed	20,364
Shares:	
- Listed	50,963
- Non listed	64,867
Other variable yield securities	20,323
<b>Total</b>	<b>5,873,768</b>

During 2017 the Bank recognized impairment losses amounting to € 39,806 which is analysed to € 2,197 corresponding to other bonds, € 37,525 corresponding to shares and € 84 corresponding other variable yield. The aforementioned amounts are included in the caption "Gains less losses on financial transactions and impairments on Group companies".

On 15.11.2017 the Hellenic Republic announced the exchange of the 20 bonds, maturing from 2023 to 2042 (issued on 24.2.2012, in the context of Hellenic Republic debt restructuring) with 5 debt securities with maturity on 2023, 2028, 2033, 2037 and 2042. This exchange took place in the context of a broader program implemented by the Hellenic Republic in order to manage its obligations. This exchange aimed at aligning the terms of the outstanding debt of the Greek Republic with market standards for the issuers of government bonds in order to normalise the yield curve. At the same time, the liquidity of the new securities would be strengthened due to the higher volume of issuances. Each security was exchanged with one or two new securities based on its maturity, with a defined exchange ratio which was applied to the nominal value. New debt securities generated fixed coupon payments, bearing an interest rate between 3.5% and 4.2%. In the exchange on 5.12.2017 the Bank participated with a nominal value of € 1,917,086 and the subsidiary insurance company of the Alphalife with a nominal value of € 150,600, which received in return new securities with a nominal value of € 1,938,556 and € 152,239 respectively. The transaction was treated from accounting prospective as an amendment of the contractual terms of the exchanging bonds thus the profit recognized amounted to € 27,849 for the Bank and € 2,691 for Alphalife was determined as the difference between the discounted cash flows of the new bonds, using the original effective interest rate of the bonds exchanged and the cost of these bonds.

According to the Ministerial Decision POL. 1174/16.11.2017 of the Independent Public Revenue Authority, the gain resulting from the Bank's participation in the Greek government bonds Exchange program, exempt from tax under the provisions of paragraph 6 of article 42 of Law 4172/2013.

**d. Held to maturity**

	31.12.2017
Bonds	
- Other Governments	10,551
-Other issuers	319
<b>Total</b>	<b>10,870</b>

**21. Investments in associates and joint ventures**

	31.12.2018	31.12.2017
<b>Opening balance</b>	18,886	21,792
New associates/joint ventures	4,550	964
Disposal of share in associates	-	(263)
Increases/(Returns) of share capital	1,172	(517)
Share of profit/(loss) and other comprehensive income	(1,414)	(3,090)
<b>Total</b>	<b>23,194</b>	<b>18,886</b>

In 2018, the caption "New associates / joint ventures" relates to the joint venture Alpha Investment Property Commercial Stores A.E. (note 40), while in 2017 it relates to Panarae Saturn LP. The "Disposal of share in associate" is related to the successive stake disposal of the company Cepal Holdings S.A., of 1% and 1.23 % on 4.5.2017 and on 18.5.2017 respectively. The caption "Returns/increases of share capital" concerns the increase of share capital amounting to € 1,000 of the associate Alpha Investment Property Elaionas A.E and of the joint venture Alpha TANE0 AKES amounting to € 172 (return of share capital of € 56 and share capital increase of € 228).

The corresponding caption of the previous year refers to the return of share capital amounting to € 600 of the associate A.L.C. Nouvelle Investments Ltd and the share capital increase of € 83 of the Alpha TANE0 S.A. joint venture.

The associates and joint ventures of the Group are the following:

Name	Country	Group's ownership interest %	
		31.12.2018	31.12.2017
<b>a. Associates</b>			
AEDEP Thessalias and Stereas Ellados	Greece	50.00	50.00
A.L.C Nouvelle Investments Ltd	Cyprus	33.33	33.33
Olganos A.E.	Greece	30.44	30.44
Bank Information Systems A.E	Greece	23.77	23.77
Propindex A.E.D.A.	Greece	35.58	35.58
Cepal Holdings A.E.	Greece	38.61	38.90
Selonda A.E.G.E.	Greece	21.97	21.97
Nireus S.A.	Greece	20.65	20.65
Famar S.A.	Luxembourg	47.04	47.04
Alpha Investment Property Elaionas A.E.	Greece	50.00	50.00
<b>b. Joint ventures</b>			
APE Commercial Property A.E	Greece	72.20	72.20
APE Investment Property A.E.*	Greece	71.08	71.08
Alpha TANE0 A.K.E.Σ.	Greece	51.00	51.00
Rosequeens Properties Ltd*	Cyprus	33.33	33.33
Panarae Saturn LP	Jersey	61.58	62.50
Alpha Investment Property Commercial Stores A.E.	Greece	70.00	

\* Companies are parent group entities as mentioned in note 40.



During 2017, the Bank acquired 47.04% of the share capital of the company Famar S.A., which is the parent company of a group of entities, at a price of four euro and seventy cents. The acquisition of the shares by the Bank as well as by three other Greek Banks, lenders of the company, took place within the context of the French pre-bankruptcy procedure, that Famar entered into with a view to its restructuring. At the same time, the banks and a loan management company entered into an agreement, which determines the way of decision making regarding the management of Famar, in order to maximize the recovery potential of the value of the loans granted to the company by the Greek Banks. In addition, it is noted that according to Famar's Articles of Association, there are corporate issues for which decision making is based on the number of shareholders instead of the percentage of shares held. The company's shares are pledged for loans granted by the aforementioned Greek banks to the previous shareholder of Famar S.A, both before and after the restructuring agreement. The Bank assessed the above and classified the participation of Famar S.A. in the caption "Investments in associates". However, it is noted that following further financial restructuring operations in December 2018, Famar S.A. became inactive and out of business as it ceased holding shares in the Famar Business Group.

Additionally, the subsidiary of the Group, Alpha A.E. Investment Holdings participated in the joint venture Panarae Saturn LP on 29.3.2017 amounting to € 964 which has the exclusive purpose of the direct investment in the entity Orbital Systems.

Bank's participation in Cepal Holdings S.A. reclassified from joint ventures to associates following the agreement of company's shareholders, signed during the second quarter of 2017, and to the company's amended Articles of Association, that took place on 4.5.2017.

The Bank participates in companies "Selonda A.E.G.E." and "Nireus S.A." as a consequence of their restructuring agreements of loan liabilities which signed during 2016. The Bank intends to dispose these companies and as a result they were classified as "Assets held for sale" at fair value, which was determined in the amount of € 1.

The Group's share in equity and profit/(loss) of each associate and joint venture is set out below:

Name	Group's share on equity		Share of profit/(loss)		Share of other comprehensive income in equity	
	FROM 1 JANUARY TO 31.12.2018	31.12.2017	FROM 1 JANUARY TO 31.12.2018	31.12.2017	FROM 1 JANUARY TO 31.12.2018	31.12.2017
<b>a. Associates</b>						
AEDEP Thessalias and Stereas Ellados	73	74	(1)			
A.L.C. Novelle Investments Ltd	421	578	(8)	(8)	(149)	173
Bank Information Systems AE	162	267	(105)	1		
Propindex A.E.D.A.	78	86	(8)			
Alpha Investment Property Elaionas A.E.	10,305	10,351	(1,046)	(993)		
Cepal Holdings A.E.	3,699	3,849	(150)	(1,671)		
<b>Total (a)</b>	<b>14,738</b>	<b>15,205</b>	<b>(1,318)</b>	<b>(2,671)</b>	<b>(149)</b>	<b>173</b>
<b>b. Joint ventures</b>						
Alpha TANE0 A.K.E.S.	3,054	2,853	29	(444)		
Rosequeens Properties Ltd	1	6	(5)	(6)		
Panarae Saturn LP	858	822	36	(41)		(101)
Alpha Investment Property Commercial Stores A.E.	4,543		(7)			
<b>Total (b)</b>	<b>8,456</b>	<b>3,681</b>	<b>53</b>	<b>(491)</b>	<b>-</b>	<b>(101)</b>
<b>Total (a) + (b)</b>	<b>23,194</b>	<b>18,886</b>	<b>(1,265)</b>	<b>(3,162)</b>	<b>(149)</b>	<b>72</b>



## Investments in material associates and joint ventures

The Group considers as material the associate companies and joint ventures that it participates in, by taking into consideration the activities of strategic importance carried out, but also the book value of the Group's investments as well as the loans and receivables that consist part of the Group's net investment in the companies, if any.

On the basis of the above, the associate company AEP Elaionas A.E. and Cepal Holdings S.A., and the joint ventures APE Commercial Property A.E. and APE Investment Property A.E. are considered material.

AEP Elaionas mainly carries out activities relating to building construction and real estate exploitation in general.

Cepal Holdings S.A. is the parent company of the group of companies (note 40), which operates in the administration of claims from loans and advances to customers.

APE Commercial Property A.E. carries out activities mainly relating to the management and exploitation of real estate activities, as well as the acquisition and management of shareholding, while APE Investment Property A.E. activities relating to the acquisition of securities and any kind of assets in general. The last two are classified as joint ventures, since, under a contractual agreement, the exercise of control requires a consensus decision of the shareholders.

All the above mentioned companies are established in Greece, are not listed on a regulated market and therefore there is no official reference regarding their fair value.

Condensed financial information about AEP Elaionas A.E. and Cepal Holdings S.A., which are accounted for under the equity method, are presented below. For APE Commercial Property A.E. and APE Investment Property A.E. that have been classified as Held for Sale, the applicable disclosures of IFRS 5 are provided in note 49.

### Alpha Investment Property Elaionas A.E.

#### Condensed Statement of Total Comprehensive Income

	31.12.2018	31.12.2017
Interest and similar expenses	(1,689)	(1,652)
Other expenses	(403)	(334)
<b>Profit/(losses) before income tax</b>	<b>(2,092)</b>	<b>(1,986)</b>
Income tax		
<b>Profit/(losses) after income tax</b>	<b>(2,092)</b>	<b>(1,986)</b>
<b>Other comprehensive income recognized directly in Equity</b>		
<b>Other comprehensive income for the year after income tax</b>	<b>(2,092)</b>	<b>(1,986)</b>
Amount attributed to the participation of the Group to profits/(losses) of the joint venture	(1,046)	(993)
Amount attributed to the participation of the Group to other comprehensive income recorded directly in equity		

No dividends have been received from the entity within the year 2018.

**Condensed Balance Sheet**

	31.12.2018	31.12.2017
<b>ASSETS</b>		
Cash and cash equivalents	-	-
Other current assets	31	288
<b>Total current assets</b>	<b>31</b>	<b>288</b>
<b>Non current assets</b>	<b>106,881</b>	<b>104,907</b>
Short-term liabilities	67	65
<b>Total Short-term liabilities</b>	<b>67</b>	<b>65</b>
Long-term liabilities	105,707	103,830
<b>Total long-term liabilities</b>	<b>105,707</b>	<b>103,830</b>
<b>Total equity</b>	<b>1,138</b>	<b>1,300</b>
Group participation (%)	50	50
Equity share	569	650
Goodwill from the acquisition	9,701	9,701
<b>Carrying amount of participation</b>	<b>10,305</b>	<b>10,351</b>
Loan that is part of the net investment	53,066	52,024
<b>Net investment</b>	<b>63,371</b>	<b>62,375</b>

**Cepal Holdings A.E.****Condensed Statement of Total Comprehensive Income**

	31.12.2018	31.12.2017
Commission expense	(4)	(4)
Gains less losses on financial transactions and impairments on Group companies	6	(11)
Other income	19,235	7,742
General Administrative Expenses	(19,130)	(12,388)
Depreciation	(318)	(91)
<b>Profit/(losses) before income tax</b>	<b>(211)</b>	<b>(4,752)</b>
Income tax	(142)	901
<b>Profit/(losses) after income tax</b>	<b>(353)</b>	<b>(3,851)</b>
<b>Other comprehensive income recognized directly in Equity</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income after income tax</b>	<b>(353)</b>	<b>(3,851)</b>
Amount attributed to the participation of the Group to profits/(losses) of the joint venture	(150)	(1,671)

No dividends have been received from the entity within the year 2018.

**Condensed Balance Sheet**

	31.12.2018	31.12.2017
<b>ASSETS</b>		
Cash and cash equivalents	1	3
Other current assets	15,485	14,564
<b>Total current assets</b>	<b>15,486</b>	<b>14,567</b>
<b>Non current assets</b>	<b>6,685</b>	<b>6,285</b>
Short-term liabilities	8,013	6,311
<b>Total short-term liabilities</b>	<b>8,013</b>	<b>6,311</b>
<b>Total Equity</b>	<b>14,158</b>	<b>14,541</b>
Less: Preference shares	(18,938)	(18,938)
<b>Equity excluding preference shares</b>	<b>(4,780)</b>	<b>(4,397)</b>
Group's share of results	(2,577)	(2,427)
Cost of acquisition	6,276	6,276
Book value of participation	3,699	3,849

The Group does not participate in joint operations schemes.



### Other information for associates and joint ventures and significant restrictions

Apart from the associated companies and the joint ventures that have been classified as Assets Held for Sale and are accounted for in accordance with the provisions of IFRS 5, the rest of the associates and the joint ventures are accounted for using the equity method.

No cases exist where the Group has ceased recognizing its portion to losses of associates and joint ventures due to the full impairment of its participation to them.

The Group has no contingent liabilities regarding its participation in associates or joint ventures. The Bank has undertaken the obligation to participate in additional investments in the joint venture Alpha TANE0 AKES amounting up to € 64. Further to this, there are no other unrecognized commitments of the Group relating with its participation in joint ventures which could result in future cash or other outflows.

No significant restrictions exist on associates or joint ventures to transfer capital in the Group or to repay loans that have been financed by the Group apart from the restrictions imposed by Codified Law 2190/1920 on Greek companies regarding the minimum of share capital and equity required, and the ability to distribute dividends.

Moreover, restrictions imposed by the adoption of Ministerial Legislative Act within 2015 exist which refer to cash withdrawals and free capital flows as well as any ministerial or other decision issued, which apply to all companies operating in Greece.



## 22. Investment property

	Land – Buildings
<b>Balance 1.1.2017</b>	
Cost	800,527
Accumulated depreciation and impairment losses	(186,435)
<b>1.1.2017 - 31.12.2017</b>	
Net book value 1.1.2017	614,092
Additions	46,124
Additions from companies consolidated for the first time in 2017	21,501
Reclassification from "Property, Plant and Equipment"	6,826
Reclassification to "Property, Plant and Equipment"	(1,142)
Reclassification to "Assets held for sale"	(21,467)
Foreign Exchange differences	(3,431)
Disposals/Write-offs	(34,740)
Reclassification of Investment Property of Chardash Trading E.O.O.D. to "Other Assets" (note 52)	(23,769)
Subsidiary disposal	(3,666)
Depreciation charge for the year from continuing operations	(12,407)
Impairment losses	(34,578)
Net book value 31.12.2017	<b>553,343</b>
<b>Balance 31.12.2017</b>	
Cost	737,609
Accumulated depreciation and impairment losses	(184,266)
<b>1.1.2018 - 31.12.2018</b>	
Net book value 1.1.2018	553,343
Additions	21,552
Additions from companies consolidated for the first time in 2018	54,094
Reclassification from/to "Property, Plant and Equipment"	(797)
Reclassification to "Assets available for sale"	(127,575)
Reclassification to "Other Assets"	(268)
Reclassification to Investment Property from "Assets available for sale"	54,354
Foreign Exchange differences	(121)
Disposals/Write-offs	(35,963)
Depreciation charge for the year	(10,691)
Impairment losses	(14,767)
Net book value 31.12.2018	<b>493,161</b>
<b>Balance 31.12.2018</b>	
Cost	639,497
Accumulated depreciation and impairment losses	(146,336)

The fair value of investment property as at 31.12.2018 amounts to € 595,166 (31.12.2017: € 600,584).

In 2018 an impairment loss amounting to € 14,767 was recognized, in order for the carrying amount of investment property not to exceed their recoverable amount as at 31.12.2018, as estimated by certified valuers.

The impairment amount was recognized in 'Other Expenses'. The recoverable amount of investment property which was impaired during the current year amounted to € 57,453 (31.12.2017: € 185,439) and it was calculated as the fair value less costs to sell.

The fair value of the investment property is calculated in accordance with the methods mentioned in note 1.7 and are classified, in terms of fair value hierarchy, in Level 3 since they have made use of research inputs, assumptions and inputs relating to properties of relevant characteristics and therefore encompass a wide range of non-observable market inputs. The capitalization rate used ranges between 7.0% and 8.5%.

The additions of current and prior period as well as the additions from companies consolidated for the first time in 2017 and 2018 relate mainly to investment property which were obtained as collateral for loans and acquired by the Group in the context of its credit risk methodology.

Finally, information about the caption of transfer to "Assets held for sale" is presented in note 49.



## 23. Property, plant and equipment

	Land and buildings	Leasehold improvements	Equipment	Total
<b>Balance 1.1.2017</b>				
Cost	1,097,399	3,389	462,904	1,563,692
Accumulated depreciation and impairment losses	(371,849)	(2,668)	(395,207)	(769,724)
<b>1.1.2017 - 31.12.2017</b>				
Net book value 1.1.2017	725,550	721	67,697	793,968
Foreign exchange differences	(434)	(6)	(171)	(611)
Additions	12,498	86	16,438	29,022
Additions from companies consolidated for the first time in 2017			4	4
Subsidiary disposal	(3,620)		(858)	(4,478)
Disposals/Write-offs	(3,306)	(4)	(518)	(3,828)
Reclassification of Property, Plant and Equipment of Chardash Trading E.O.O.D. to "Other Assets" (note 52)			(1,417)	(1,417)
Reclassification to "Investment Property"	(6,816)		(10)	(6,826)
Reclassification from "Investment Property"	1,142			1,142
Reclassification to "Other Assets"	(6,550)			(6,550)
Depreciation charge from continuing operations	(20,412)	(270)	(17,624)	(38,306)
Impairment losses	(28,172)		(115)	(28,287)
Net book value 31.12.2017	<b>669,880</b>	<b>527</b>	<b>63,426</b>	<b>733,833</b>
<b>Balance 31.12.2017</b>				
Cost	1,051,956	3,366	444,650	1,499,972
Accumulated depreciation and impairment losses	(382,076)	(2,839)	(381,224)	(766,139)
<b>1.1.2018 - 31.12.2018</b>				
Net book value 1.1.2018	669,880	527	63,426	733,833
Additions	10,473	87	37,815	48,375
Disposals/Write-offs	(812)		(817)	(1,629)
Reclassification from/to "Investment Property"	797			797
Reclassification internally to "Property, Plant and Equipment"	(2,638)	(57)	2,695	-
Reclassification to "Other Assets"	(2,933)			(2,933)
Reclassification to "Assets held for sale"	(4,956)		(69)	(5,025)
Foreign exchange differences	267	15	1	283
Depreciation charge	(18,632)	(221)	(17,645)	(36,498)
Impairment losses	(2,540)		-	(2,540)
Net book value 31.12.2018	<b>648,906</b>	<b>351</b>	<b>85,406</b>	<b>734,663</b>
<b>Balance 31.12.2018</b>				
Cost	896,655	3,237	471,635	1,371,527
Accumulated depreciation and impairment losses	(247,749)	(2,886)	(386,229)	(636,864)

The carrying amount of owned land and buildings included in the above balances amounts to € 608,085 as at 31.12.2018 (31.12.2017: € 635,291).

In 2018, an impairment loss of € 2,540 (31.12.2017: € 28,287) was recorded in "Other Expenses".

During the impairment test of property, plant and equipment, the estimation of the recoverable amount is based on the value in use, which incorporates in the carrying amount of the asset all the improvements which render it suitable for use by the Group.

The recoverable amount of "Property, plant and equipment" which was impaired during the current year amounts to € 6,472 (31.12.2017: € 139,364).

Finally, information relating with the caption "Assets held for sale" are presented in note 49.





## 24. Goodwill and other intangible assets

	Software	Other intangible	Total
<b>Balance 1.1.2017</b>			
Cost	617,620	140,128	757,748
Accumulated amortization and impairment loss	(326,811)	(59,623)	(386,434)
<b>1.1.2017 - 31.12.2017</b>			-
Net book value 1.1.2017	290,809	80,505	371,314
Additions	70,429		70,429
Additions from companies consolidated for the first time during the year 2017	5		5
Foreign exchange differences	80	3	83
Disposals/Write-offs	(93)		(93)
Amortization charge for the year from continuing operations	(30,737)	(18,293)	(49,030)
Impairment losses	(2,899)		(2,899)
Net book value 31.12.2017	<b>327,594</b>	<b>62,215</b>	<b>389,809</b>
<b>Balance 31.12.2017</b>			
Cost	685,756	141,486	827,242
Accumulated amortization and impairment loss	(358,162)	(79,271)	(437,433)
<b>1.1.2018 - 31.12.2018</b>			
Net book value 1.1.2018	327,594	62,215	389,809
Additions	104,185	2	104,187
Foreign exchange differences	50	1	51
Disposals/Write-offs	(44)		(44)
Amortization charge for the year	(36,547)	(18,292)	(54,839)
Impairment losses	(5,071)		(5,071)
Net book value 31.12.2018	<b>390,167</b>	<b>43,926</b>	<b>434,093</b>
<b>Balance 31.12.2018</b>			
Cost	787,082	141,487	928,569
Accumulated amortization and impairment loss	(396,915)	(97,561)	(494,476)

The additions of current year mainly concern acquisitions of user rights for computer applications.

In 2018, an impairment loss of € 5,071 was recorded in "Other Expenses".

During the year 2017 an impairment loss of € 2,899 on intangible assets was recognized. Relevant amounts were recorded in caption "Other expenses".



## 25. Deferred tax assets and liabilities

	31.12.2018	31.12.2017
Assets	5,290,763	4,330,602
Liabilities	(18,681)	(24,997)
<b>Total</b>	<b>5,272,082</b>	<b>4,305,605</b>

Deferred tax assets and liabilities are analyzed as follows:

	1.1 - 31.12.2018								
	Balance 31.12.2017	Impact from the implementation of IFRS 9	Balance 1.1.2018	Reclassification due to Implementation of Law 4465/2017	Recognized in		Reclassification to Held for Sale	Foreign exchange differences	Balance 31.12.2018
					Income Statement	Equity			
Debit difference of Law 4046/2012	1,069,316		1,069,316		(44,554)				1,024,762
Debit difference of Law 4465/2017	15,165		15,165	30,465	692,028				737,658
Write-offs, depreciation and impairment of fixed assets	32,418		32,418		(10,031)		(6,840)		15,547
Loans portfolio	2,569,971	390,611	2,960,582	(30,465)	(135,130)				2,794,987
Valuation of loans due to hedging	(105)		(105)		80				(25)
Employee defined benefit and insurance funds	26,743		26,743		(1,335)	(339)			25,069
Valuation of derivatives	127,733		127,733		(5,001)	788			123,520
Effective interest rate	10,573		10,573		(799)				9,774
Valuation of liabilities to credit institutions and other borrowed funds due to fair value hedge	(14,562)		(14,562)		3,842				(10,720)
Valuation/impairment of investments	(524)		(524)		158,514				157,990
Valuation/impairment of bonds and other securities	2,735		2,735		(87,006)	161,680			77,409
Tax losses carried forward	325,445		325,445		(144,148)		(1,918)		179,379
Other temporary differences	140,689	1,318	142,007		(2,230)		(256)		139,521
Exchange differences from translating and hedging of foreign operations	8		8			(2,378)		(445)	(2,815)
<b>Total</b>	<b>4,305,605</b>	<b>391,929</b>	<b>4,697,534</b>	<b>-</b>	<b>424,230</b>	<b>159,751</b>	<b>(9,014)</b>	<b>(445)</b>	<b>5,272,082</b>



	1.1 - 31.12.2017						Balance 31.12.2017
	Balance 1.1.2017	Reclassification due to Implementation of Law 4465/2017	Recognized in		Reclassification to Held for Sale and other movements	Foreign exchange differences	
			Income statement	Equity			
Debit difference of Law 4046/2012	1,113,870		(44,554)				1,069,316
Debit difference of Law 4465/2017	-	16,850	(1,685)				15,165
Write-offs, depreciation and impairment of fixed assets	38,689		(6,604)		333		32,418
Loans portfolio	2,479,024	(16,850)	107,797				2,569,971
Valuation of loans due to hedging	(314)		209				(105)
Employee defined benefit and insurance funds	46,326		(19,480)	(26)	(77)		26,743
Valuation of derivatives	172,284		(29,247)	(15,304)			127,733
Effective interest rate	11,718		(1,145)				10,573
Valuation of liabilities to credit institutions and other borrowed funds due to fair value hedge	(54,267)		39,705				(14,562)
Valuation/impairment of investments	59,082		(59,606)				(524)
Valuation/impairment of bonds and other securities	83,908		58,035	(139,208)			2,735
Tax losses carried forward	450,647		(125,282)	80			325,445
Other temporary differences	96,361		44,624		(296)		140,689
Exchange differences from translating and hedging of foreign operations	499			(721)		230	8
<b>Total</b>	<b>4,497,827</b>	<b>-</b>	<b>(37,233)</b>	<b>(155,179)</b>	<b>(40)</b>	<b>230</b>	<b>4,305,605</b>

Reclassification due to implementation of Law 4465/2017” presents the impact of the formation of debit difference, pursuant to the provisions of Law 4465/2017, which was finalized upon the submission of the Bank’s income tax statement after the publication of Financial Statements as of 31.12.2017 and 31.12.2016, respectively.

The amount of € 80 which is recognized in Equity in the category “Tax losses carried forward” relates to share capital increase expenses which according to Law 4308/14 (Greek Accounting Standards) are recognized in the tax results of the year 2017.

**26. Other assets**

	<b>31.12.2018</b>	<b>31.12.2017</b>
Tax advances and withholding taxes	164,533	221,771
Deposit and Investment Guarantee Fund	635,007	632,813
Assets obtained from auctions	215,446	231,071
Prepaid expenses	25,999	18,862
Accrued income	5,496	6,677
Other	317,204	237,591
<b>Total</b>	<b>1,363,685</b>	<b>1,348,785</b>

“Deposit and Investment Guarantee Fund” included in other assets relates to the Bank’s participation in assets of investment and deposit cover scheme. The above figure consists of:

1. the amount contributed relating to investment cover scheme and
2. the difference between the regular annual contribution of credit institutions resulting from the application of article 6 of Law 3714/2008 “Borrowers protection and other regulations”, which raised the amount of deposits covered by the Deposit Guarantee scheme from € 20 to € 100 per depositor.

The above difference is included according to Law 4370/7.3.2016 in “Deposit Guarantee Scheme (incorporating Directive 2014/49/EU), Deposit and Investment Guarantee Fund and other regulations” in a special group of assets, whose elements are owned in common by the participant credit institutions, according to the participation percentage of each one.

The caption “Tax advances and withholding taxes” is presented, after provisions, amounted to € 101,037 in year 2018 (31.12.2017: € 49,449).

In addition, as at 31.12.2018 the Group measured its assets obtained from auctions which have been classified in other assets at the lowest value between the carrying amount and fair value less costs to sell. In cases where the fair value was lower than the carrying amount, an impairment loss was recognized of € 18,546 and recorded in “Other expenses” of the Income Statement. As at 31.12.2017 the relevant impairment loss amounted to € 13,386.

The fair value of the assets has been estimated in accordance with the methods mentioned in note 1.8 and are classified in terms of fair value hierarchy in Level 3, since they have made use of research inputs, assumptions and inputs from properties of relevant characteristics and therefore encompass a wide range of non-observable market inputs. The capitalization rate used was between 7.0% and 8.5%.

In 2018, the Group transferred fixed assets from auctions with a carrying amount of € 27,835 to “Assets held for Sale”, as described in detail in note 49.



## LIABILITIES

## 27. Due to banks

	31.12.2018	31.12.2017
Deposits:		
- Current accounts	37,456	49,398
- Term deposits:		
Central Banks	3,378,846	10,206,372
Other credit institutions	26,096	28,879
Cash collateral for derivative margin account and repurchase agreements	68,858	71,550
Sale and repurchase agreements (Repos)	6,421,829	2,306,720
Borrowing funds	518,021	474,333
Deposits on demand:		
- Other credit institutions	5,253	4,279
<b>Total</b>	<b>10,456,359</b>	<b>13,141,531</b>

Eurosystem funding decreased by € 6,827,526 in 2018 mainly due to increase in customer deposits, the issuance of covered bonds and repurchase agreements (Repos).

In June 2016, the European Central Bank carried out a new program of targeted long term refinancing operations (TLTRO-II) with a four year duration.

The Bank participates in this program with an amount of € 3,100,000.

The caption "Borrowed funds" mainly includes liabilities due to European Investment Bank.

## 28. Due to customers

	31.12.2018	31.12.2017
Deposits:		
- Current accounts	10,957,383	9,835,938
- Saving accounts	9,734,581	9,377,274
- Term deposits	17,919,453	15,455,782
Debt securities in issue		47,319
Sale and repurchase agreements (Repos)		46,115
Deposits on demand	35,258	37,832
	<b>38,646,675</b>	<b>34,800,260</b>
Cheques payable	85,160	90,176
<b>Total</b>	<b>38,731,835</b>	<b>34,890,436</b>

## 29. Debt securities in issue and other borrowed funds

## i. Covered bonds\*

In the context of the existing of Direct Covered Bond Issuance Program I of amount € 8 billion the Bank issued, on 1.8.2017, a bond with a nominal value of € 1 billion collateralized with mortgage loans of a nominal value of € 1.2 billion, maturity date on 23.10.2018 and bearing an interest rate corresponding to three month Euribor plus a margin of 1.2%. The issuance was wholly purchased by the Bank and was used as collateral in financing operations. On 5.12.2017, the above issuance was redeemed.

\* Financial disclosures regarding covered bonds issues, as determined by the directive of Bank of Greece 2620/28.8.2009 are published at the Bank's website.



In the context of the direct Covered Bond Issuance Program II, amounting to €8 billion, the Bank, on 6.12.2017 and on 18.5.2018, issued bonds with a total nominal value of €1 billion collateralized with mortgage loans of €2.2 billion, with maturity date on 23.1.2021 and on 23.10.2019 respectively and bearing an interest rate corresponding to three month Euribor plus a margin of 1.65%. These bonds are used as collateral in financing operations and are not included in the caption “Debt securities in issue and other borrowed funds” as they are held by the Bank.

On 25.1.2018, and settlement date on 5.2.2018, the Bank issued a €500 million covered bond collateralized with mortgage loans of €0.7 billion, with a 5-year tenor, bearing a fixed annual interest rate of 2.5% and 2.75% yield to maturity, as part of its €8 billion direct issuance Covered Bond Programme I.

<b>Balance 1.1.2018</b>	-
<b>Changes for the period 1.1 – 31.12.2018</b>	
New Issues	491,985
Change in the fair value due to hedging	8,308
Accrued interest	11,550
<b>Balance 31.12.2018</b>	<b>511,843</b>

The following table presents additional information for the above mentioned issues:

Issuer	Currency	Interest Rate	Maturity	Nominal value	
				31.12.2018	31.12.2017
<b>A. Covered Bonds held by the Bank</b>					
Alpha Bank S.A.	Euro	3m Euribor+1.65%	23.10.2019	1,000,000	
Alpha Bank S.A.	Euro	3m Euribor+1.65%	23.1.2021	1,000,000	1,000,000
<b>Total</b>				<b>2,000,000</b>	<b>1,000,000</b>
<b>B. Third Parties</b>					
Alpha Bank S.A.	Euro	2.5%	5.2.2023	500,000	
<b>Total</b>				<b>500,000</b>	

## ii. Secured Note Program

On 22.11.2018 the Bank issued bonds of nominal value of €1.05 billion, collateralized with mortgage loans of amount €1.8 billion with maturity date on 25.10.2020 and bearing an interest rate corresponding to three months Euribor plus a margin of 1.8%. These bonds are used as collateral in financing operations and are not included in the caption “Debt securities in issue and other borrowed funds” as they are held by the Bank.

The following table presents additional information for the above mentioned issues:

Issuer	Currency	Interest Rate	Maturity	Nominal value	
				31.12.2018	31.12.2017
Alpha Bank S.A.	Euro	3m Euribor+1.8%	25.10.2020	1,050,000	
<b>Total</b>				<b>1,050,000</b>	

## iii. Senior debt securities

<b>Balance 1.1.2018</b>	<b>9,977</b>
<b>Changes for the period 1.1 – 31.12.2018</b>	
Maturities/Repayments	(4,635)
Accrued interest	837
<b>Balance 31.12.2018</b>	<b>6,179</b>



The following table presents additional information for the above mentioned issues:

Issuer	Currency	Interest Rate	Maturity	Nominal value	
				31.12.2018	31.12.2017
Alpha Bank S.A.	Euro	2.50%	20.6.2022	350	350
Alpha Bank S.A.	Euro	2.50%	20.6.2022	1,345	1,345
Alpha Bank S.A.	Euro	Linked to interest rate index	26.2.2019	5,000	5,000
Alpha Bank S.A.	Euro	2%	17.5.2018		5,753
<b>Total</b>				<b>6,695</b>	<b>12,448</b>

#### iv. Liabilities from the securitization of shipping loans

<b>Balance 1.1.2018</b>	<b>317,066</b>
<b>Changes for the period 1.1 – 31.12.2018</b>	
New Issues	20,294
Maturities/Repayments	(94,872)
Accrued interest	13,115
Foreign exchange differences	12,674
<b>Balance 31.12.2018</b>	<b>268,277</b>

The Bank has proceeded to a shipping loan securitization transaction, transferring them to the fully consolidated Special Purpose Entity, Alpha Shipping Finance Ltd, which raised funding from third parties.

The following table presents additional information for the above mentioned issues:

Issuer	Currency	Interest Rate	Maturity	Nominal value	
				31.12.2018	31.12.2017
Alpha Shipping Finance Ltd	USD	1m USD Libor+2.25%	22.9.2022	13,529	11,617
Alpha Shipping Finance Ltd	USD	3m USD Libor+2.25%	22.9.2022	254,040	305,096
<b>Total</b>				<b>267,569</b>	<b>316,712</b>

#### v. Liabilities from the securitization of corporate loans (SMEs)

<b>Balance 1.1.2018</b>	<b>319,656</b>
<b>Changes for the period 1.1 – 31.12.2018</b>	
Maturities/Repayments	(168,057)
Accrued interest	4,785
<b>Balance 31.12.2018</b>	<b>156,384</b>

The Bank has proceeded in the securitization of SME's loans, transferring the aforementioned loans to the fully consolidated special purpose entity, Proodos Designated Activity Company (D.A.C.), which in turn raised funding from third parties and from the Bank.

The following table presents additional information for the above mentioned issues:

Issuer	Currency	Interest Rate	Maturity	Nominal value	
				31.12.2018	31.12.2017
<b>A. Covered Bonds held by the Bank</b>					
Alpha Proodos DAC - CLASS B	Euro	3M Euribor+2.5%, minimum 0%	23.1.2040	100,000	100,000
ALPHA PROODOS DAC - CLASS C	Euro	3M Euribor+3%, minimum 0%	23.1.2040	220,000	220,000
<b>Total</b>				<b>320,000</b>	<b>320,000</b>
<b>B. Third Parties</b>					
Alpha Proodos DAC - CLASS A1	Euro	3M Euribor+2%, minimum 0%	23.1.2040	122,389	250,000
Alpha Proodos DAC - CLASS A2	Euro	3M Euribor+2%, minimum 0%	23.1.2040	24,478	50,000
Alpha Proodos DAC - CLASS A3	Euro	3M Euribor+2%, minimum 0%	23.1.2040	9,791	20,000
<b>Total</b>				<b>156,658</b>	<b>320,000</b>

**vi. Liabilities from the securitization of other loans**

Liabilities arising from the securitization of consumer loans, corporate loans, credit cards and leasing are not included in “Debt securities in issue and other borrowed funds” since these securities of nominal value € 4,174,400 have been issued by special purpose entities and are held by the Bank

The following table presents additional information for the above mentioned issues:

Issuer	Currency	Interest Rate	Maturity	Nominal value	
				31.12.2018	31.12.2017
Katanalotika Plc LDN - CLASS A	Euro	3m Euribor +0.4%, minimum 0%	17.12.2029	912,000	912,000
Katanalotika Plc LDN - CLASS Z	Euro	3m Euribor +1%, minimum 0%	17.12.2029	608,000	608,000
Epihiro Plc LDN - CLASS A	Euro	6m Euribor +0.3%, minimum 0%	20.1.2035	785,600	785,600
Epihiro Plc LDN - CLASS B	Euro	6m Euribor, minimum 0%	20.1.2035	807,800	807,800
Pisti 2010-1 Plc LDN - CLASS A	Euro	2.5%	24.2.2026	369,300	369,300
Pisti 2010-1 Plc LDN - CLASS B	Euro	1m Euribor, minimum 0%	24.2.2026	216,900	216,900
Irida Plc LDN - CLASS A	Euro	3m Euribor +0.3%, minimum 0%	3.1.2039	261,100	261,100
Irida Plc LDN - CLASS B	Euro	3m Euribor, minimum 0%	3.1.2039	213,700	213,700
<b>Total</b>				<b>4,174,400</b>	<b>4,174,400</b>

**vii. Subordinated debt**

<b>Balance 1.1.2018</b>	<b>56,188</b>
<b>Changes for the period 1.1 - 31.12.2018</b>	
Maturities/repayments	(56,111)
Accrued interest	574
<b>Balance 31.12.2018</b>	<b>651</b>

On 30.5.2018 subordinated debt of nominal value € 100 million matured, from which an amount of € 26.6 million and an amount of € 18 million was owned by the Bank and the Group respectively.

The following table presents additional information for the above mentioned issues:

Issuer	Currency	Interest Rate	Maturity	Nominal value	
				31.12.2018	31.12.2017
Alpha Bank S.A.	Euro	3m Euribor+1.5%	indefinite	650	650
Alpha Bank Cyprus Ltd	Euro	3m Euribor+2.8%	30.5.2018		55,415
<b>Total</b>				<b>650</b>	<b>56,065</b>

<b>Total of debt securities in issue and other borrowed funds as at 31.12.2018</b>	<b>943,334</b>
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The changes in liabilities arising from financing activities, including the cash flow and non-cash flow changes, are presented in the table below :

Cash flows from financing activities	1.1.2018	Cash Flows	Non Cash Flows			31.12.2018
			Accrued interest	Foreign exchange differences	Other	
Senior debt securities	9,977	(4,635)	837			6,179
Liabilities from the securitization of shipping loans	317,066	(74,578)	13,115	12,674		268,277
Liabilities from the securitization of corporate loans (SMEs)	319,656	(168,057)	4,785			156,384
Subordinated loans	56,188	(56,111)	574			651
Liabilities from the securitization of other loans	-	491,985	11,550		8,308	511,843

Cash flows from financing activities	1.1.2017	Cash Flows	Non Cash Flows				31.12.2017
			Accrued interest	Foreign exchange differences	Fair value change	Conversion of bond loan to shares	
Senior debt securities	26,834	(17,719)	862				9,977
Liabilities from the securitization of shipping loans	252,320	86,720	7,896	(29,870)			317,066
Liabilities from the securitization of corporate loans (SMEs)	320,053	(5,990)	5,593				319,656
Subordinated loans	82,338	(26,588)	438				56,188
Convertible bond loans	13,995				(1,790)	(12,205)	-

The above cash flows are included in the net cash flows from financing activities in the cash flow statement of the year with exception of the cash flows from senior debt securities, which are included in the net cash flows from operating activities.

### 30. Liabilities for current income tax and other taxes

	31.12.2018	31.12.2017
Current income tax	15,821	17,862
Other taxes	25,451	24,899
<b>Total</b>	<b>41,272</b>	<b>42,761</b>

### 31. Employee defined benefit obligations

The total amounts recognized in the financial statements for the defined benefit obligations are presented in the table below:

	Balance Sheet - Liabilities	
	31.12.2018	31.12.2017
Bank employee's indemnity provision due to retirement in accordance with Law 2112/1920	73,611	79,526
Savings program guarantee	3,325	3,232
Plans for Diners (pension and health care)	6,811	6,683
Group employees in Greece indemnity provision due to retirement in accordance with Law 2112/1920	2,559	2,597
Other provision for retirement benefits	438	
<b>Total Liabilities</b>	<b>86,744</b>	<b>92,038</b>



	Income statement Expenses/(Income) FROM 1 JANUARY TO	
	31.12.2018	31.12.2017
Bank employee's indemnity provision due to retirement in accordance with Law 2112/1920 (note 8)	3,847	4,039
Savings program guarantee	216	301
Plans for Diners (pension and health care)	122	124
Group employees in Greece indemnity provision due to retirement in accordance with Law 2112/1920	1,078	441
Other provision for retirement benefits	438	
<b>Total</b>	<b>5,701</b>	<b>4,905</b>

Balance Sheet and Income Statement amounts are analyzed per fund and type of benefit as follows:

#### i. Bank

##### a. Employee indemnity due to retirement in accordance with Law 2112/1920

The employment contracts of the employees are considered open term employee contracts and when cancelled, the provisions of Law 2112/1920 and Law 3198/1955 apply, as amended by Law 4093/2012, which provide a lump sum benefit payment.

The amounts recognized in the balance sheet are as follows:

	31.12.2018	31.12.2017
Present value of defined obligations	73,611	79,526
<b>Liability/(Asset)</b>	<b>73,611</b>	<b>79,526</b>

The amounts recognized in the income statement are as follows:

	FROM 1 JANUARY TO	
	31.12.2018	31.12.2017
Current service cost	2,272	2,289
Net interest cost resulted from net asset/liability	1,333	1,411
Past service cost		
Settlement/Curtailment/Termination (gain)/loss	242	339
<b>Total (included in staff costs)</b>	<b>3,847</b>	<b>4,039</b>

The movement in the present value of the defined benefit obligation is as follows:

	2018	2017
<b>Opening balance</b>	<b>79,526</b>	<b>78,597</b>
Current service cost	2,272	2,289
Interest cost	1,333	1,411
Benefits paid	(8,747)	(3,994)
Settlement/Curtailment/Termination (gain)/loss	242	339
Past service cost	-	
Actuarial (gain)/loss – financial assumptions	(479)	1,568
Actuarial (gain)/loss – experience assumptions	(536)	(684)
<b>Closing balance</b>	<b>73,611</b>	<b>79,526</b>



The amounts recognized directly in equity during the year are analyzed as follows:

	31.12.2018	31.12.2017
Change in liability gain/(loss) due to changes in financial and demographic assumptions	479	(1,568)
Change in liability gain/(loss) due to experience adjustments	536	684
<b>Total actuarial gain/(loss) recognized in Equity</b>	<b>1,015</b>	<b>(884)</b>

The movement in the obligation in the balance sheet is as follows:

	2018	2017
<b>Opening balance</b>	<b>79,526</b>	<b>78,597</b>
Benefits paid	(8,747)	(3,994)
Loss /(Gain) recognized in Income Statement	3,847	4,039
Loss/(Gain) recognized in equity	(1,015)	884
<b>Closing balance</b>	<b>73,611</b>	<b>79,526</b>

#### **b. Guarantee of the minimum benefit for newly insured employees (after 1993) that were hired up to 31.12.2004 and joined the new Bank's savings plan**

For employees hired by the Bank and insured from 1.1.1993 until 31.12.2004 the final amount to be received upon retirement has, according to the provisions of the insurance plan, as minimum limit the benefit as defined in Law 2084/1992 and the Cabinet Act 2/39350/0022/2.3.99.

The amounts included in the balance sheet are analyzed as follows:

	31.12.2018	31.12.2017
Present value of defined obligation	3,325	3,232
Fair value of Fund's assets		
<b>Liability/(asset)</b>	<b>3,325</b>	<b>3,232</b>

The amounts included in the income statement are as follows:

	FROM 1 JANUARY TO	
	31.12.2018	31.12.2017
Current service cost	162	225
Net interest cost resulted from the net asset/liability	54	76
<b>Total (included in staff costs)</b>	<b>216</b>	<b>301</b>

The movement in the present value of liability is as follows:

	2018	2017
<b>Opening balance</b>	<b>3,232</b>	<b>4,225</b>
Current service cost	162	225
Interest cost	54	76
Actuarial (gain)/loss - financial assumptions	(23)	70
Actuarial (gain)/loss - experience adjustments	(100)	(1,364)
<b>Closing balance</b>	<b>3,325</b>	<b>3,232</b>

The amounts recognized directly in equity during the year are analyzed as follows:

	2018	2017
Change in liability gain/(loss) due to assumptions	23	(70)
Change in liability gain/(loss) due to experience adjustments	100	1,364
<b>Total actuarial gain/(loss) recognized in equity</b>	<b>123</b>	<b>1,294</b>



The movement in the obligation is as follows:

	2018	2017
<b>Opening balance</b>	<b>3,232</b>	<b>4,225</b>
(Gain)/loss recognized in Income Statement	216	301
(Gain)/loss recognized in Equity	(123)	(1,294)
<b>Closing balance</b>	<b>3,325</b>	<b>3,232</b>

### c. Supplementary Pension Fund and Health Care of Diners

The Bank guarantees from 30.9.2014, date of acquisition of Diners Club Hellas S.A. the Supplementary Pension Fund and Health Care Plan of the company, which is managed by an independent insurance company. On 2.6.2015, the merger via absorption of the company was completed. These plans cover the pensioners and those who have retired and have the right to receive supplementary pension in the future.

The amounts included in the balance sheet are analyzed as follows:

	31.12.2018	31.12.2017
Present value of defined obligation	9,528	9,752
Fair value of plan assets	(2,717)	(3,069)
<b>Liability/(asset)</b>	<b>6,811</b>	<b>6,683</b>

The amounts included in the income statement are analyzed as follows:

	FROM 1 JANUARY TO	
	31.12.2018	31.12.2017
Net interest cost resulted from the net asset/liability	112	114
Expenses	10	11
<b>Total (included in staff costs)</b>	<b>122</b>	<b>125</b>

The movement in the present value of benefits is as follows:

	2018	2017
<b>Opening balance</b>	<b>9,753</b>	<b>9,727</b>
Interest cost	161	172
Benefits paid directly by the Bank	(9)	(23)
Benefits paid	(352)	(343)
Actuarial (gain)/loss - financial assumptions	(84)	162
Actuarial (gain)/loss - experience adjustments	60	58
<b>Closing balance</b>	<b>9,529</b>	<b>9,753</b>

The movement in the fair value of plan assets is as follows:

	2018	2017
<b>Opening balance</b>	<b>3,069</b>	<b>3,422</b>
Expected return	49	58
Benefits paid	(352)	(343)
Expenses	(10)	(11)
Actuarial losses	(39)	(57)
<b>Closing balance</b>	<b>2,717</b>	<b>3,069</b>



The amounts recognized directly in equity during the year are analyzed as follows:

	2018	2017
Change in liability gain/(loss) due to financial and demographic assumptions	84	(162)
Change in liability gain/(loss) due to experience adjustments	(60)	(58)
Return on plan assets excluding amounts included in income statement – gain / (loss)	(39)	(57)
<b>Total actuarial gain/(loss) recognized in equity</b>	<b>(15)</b>	<b>(277)</b>

The movement of the liability/(asset) in the balance sheet is as follows:

	2018	2017
<b>Opening balance</b>	<b>6,684</b>	<b>6,305</b>
Benefits paid directly by the Bank	(9)	(23)
(Gain)/loss recognized in Income Statement	122	125
(Gain)/loss recognized in Equity	15	277
<b>Closing balance</b>	<b>6,812</b>	<b>6,684</b>

The results of the abovementioned valuations are based on the assumptions of the actuarial studies.

The principal actuarial assumptions used for the above mentioned defined benefit plans are as follows:

	31.12.2018	31.12.2017
Discount rate	1.72%	1.68%
Inflation rate	1.5%	1.5%
Return on plan assets	2.0%	2.0%
Future salary growth	1.8%	1.8%
Future pension growth	0%	0%

The discount rate was based on the iBoxx Euro Corporate AA+ adopted to the characteristics of the programs.

The average duration per program is depicted in the table below:

	31.12.2018	31.12.2017
Bank employee's indemnity provision due to retirement in accordance with Law 2112/1920	17.1	17.2
Saving program guarantee	17.6	18.6
Plans for Diners (pension and health care)	15.6	16.0

The table below presents the sensitivity of the obligations of the above programs on the financial assumptions:

	Percentage variation in liability (%)
Increase in discount rate by 0.5%	(7.7)
Decrease in discount rate by 0.5%	8.6
Increase in future salary growth rate by 0.5%	8.6
Decrease in future salary growth rate by 0.5%	(7.8)



## ii. Group companies

The employees of the Greek subsidiaries with open ended employment contracts receive a lump sum payment on retirement, which is defined by Law 2112/1920 as modified by Law 4093/2012.

The total amounts recognized in the financial statements regarding the defined benefit obligations of the Group are analyzed as follows:

	<b>Balance Sheet – Liabilities</b>	
	<b>31.12.2018</b>	<b>31.12.2017</b>
Bank's employees indemnity of greek subsidiaries due to retirement in accordance with Law 2112/1920	2,559	2,597
Other provision for retirement benefits	438	
<b>Total Liabilities</b>	<b>2,997</b>	<b>2,597</b>

	<b>Income Statement Expenses/(Income) FROM 1 JANUARY TO</b>	
	<b>31.12.2018</b>	<b>31.12.2017</b>
Bank's employees indemnity of greek subsidiaries due to retirement in accordance with Law 2112/1920	1,078	441
Other provision for retirement benefits	438	
<b>Total</b>	<b>1,516</b>	<b>441</b>

The amount of actuarial gain/losses that was recognized in equity for the defined benefit programs of the Group companies' amounts to € 50 gain for 2018 against € 65 gain for 2017.

For all the programs mentioned above, no contributions are expected to be paid during 2019.

## 32. Other liabilities

	<b>31.12.2018</b>	<b>31.12.2017</b>
Liabilities to third parties	123,605	108,727
Brokerage services	12,545	15,379
Deferred income	8,777	3,252
Accrued expenses	83,139	65,504
Liabilities to merchants from credit cards	299,085	306,153
Other	381,364	371,667
<b>Total</b>	<b>908,515</b>	<b>870,682</b>



### 33. Provisions

	31.12.2018	31.12.2017
Insurance	313,685	262,626
Provisions to cover credit risk and other provisions	213,701	170,614
<b>Total</b>	<b>527,386</b>	<b>433,240</b>

#### a. Insurance

	31.12.2018	31.12.2017
<b>Life insurance</b>		
Mathematical reserves	313,281	262,287
Outstanding claim reserves	404	339
<b>Total</b>	<b>313,685</b>	<b>262,626</b>

#### b. Provisions to cover credit risk and other provisions

<b>Balance 1.1.2017</b>	<b>102,174</b>
<b>Changes for the period 1.1-31.12.2017</b>	
Provisions to cover credit risk relating to off-balance sheet items (note 11)	(2,233)
Used provision for Alpha Bank S.A. separation scheme	(18,457)
Other provisions used	(6,805)
Reclassification of the provision of the legal case Chardash (note 52)	(8,000)
Provisions from legal cases and other contingent liabilities (note 10)	11,351
Provision for Alpha Bank S.A. separation scheme	92,719
Foreign exchange differences	(135)
<b>Balance 31.12.2017</b>	<b>170,614</b>
Impact from the implementation of IFRS 9 on provisions to cover credit risk (note 44)	109,311
<b>Balance 1.1.2018</b>	<b>279,925</b>
Provisions to cover credit risk relating to off-balance sheet items (note 11)	(17,957)
Used provision for Alpha Bank S.A. separation scheme	(44,296)
Other provisions used during the year	(5,680)
Other provisions	4,751
Reclassification to assets available for sale	(131)
Foreign exchange differences	(2,912)
<b>Balance 31.12.2018</b>	<b>213,701</b>

The caption "Other Expenses", includes the amounts of other provisions, while the caption "Impairment losses and provisions to cover credit risk" of Income Statement, include the provisions to cover credit risk relating to off-balance sheet items.

On 31.12.2018 the balance of expected credit loss relating to off-balance sheet items amounts to €92,221 (31.12.2017: €787) of which an amount of €4,407 relates to provisions of undrawn credit limits, and an amount of €87,815 relates to provisions for Letters of Guarantee and Letters of Credit.

The balance of other provisions as at 31.12.2018, amounts €121,479 (31.12. 2017: €177,827) of which:

- An amount of €30,575 (31.12.2017: €32,905) relates to pending legal cases.
- An amount of €59,004 (31.12.2017: €103,300) relates to provision of the voluntary separation scheme (note 8).



## EQUITY

**34. Share capital**

The Bank's share capital as at 31.12.2018 is analysed as follows:

	Opening balance of shares as at 1.1.2017	Changes for the period from 1.1.2017 to 31.12.2017 (units)	Balance of shares as at 31.12.2017 / 31.12.2018	Paid in capital as at 31.12.2017/ 31.12.2018
		Shares from the conversion of convertible bond loan		
<b>a. Ordinary shares</b>				
Number of ordinary shares	1,536,881,200		1,536,881,200	461,064
Share capital increase		6,818,181	6,818,181	2,046
<b>Total</b>	<b>1,536,881,200</b>	<b>6,818,181</b>	<b>1,543,699,381</b>	<b>463,110</b>

On 23.2.2017, as a result of exercising the conversion right of all bondholders, the Bank's Board of Directors, approved the share capital increase of € 2,046, due to the conversion of the convertible bond of € 150,000 that was issued on 1.2.2013, under the agreement with Credit Agricole S.A., Crédit Agricole Corporate and Investment Bank.

As a result of the above the Bank's share capital on 31.12.2017 and 31.12.2018 amounts to € 463,110.

From the conversion, 6,818,181 new ordinary, registered, voting, paperless shares of the Bank with a nominal value of € 0.30 each, were issued and registered to Athens Stock Exchange on 18.4.2017.

Regarding the warrant's exercise on the shares held by the Hellenic Financial Stability Fund, on 14.12.2017, 6,608 warrants were exercised by the shareholders which corresponded to 979 ordinary shares. The exercise of warrants did not affect the Bank's share capital but the number of shares held by the Hellenic Financial Stability Fund.

**35. Share premium**

<b>Balance 1.1.2017</b>	<b>10,790,870</b>
Conversion of convertible bond loan to shares	10,159
<b>Balance 31.12.2017 / 31.12.2018</b>	<b>10,801,029</b>

Following the above share capital increase "Share premium" was increased by € 10,159.

**36. Reserves**

Reserves are analyzed as follows:

**a. Statutory reserve**

	31.12.2018	31.12.2017
Statutory reserve	536,370	533,485

According to article 158 of Codified Law 4548/2018 (for which relevant clause included in the article 26 of the Bank's Article Association, as in force), one-twentieth (1/20) of the net profit of the year is deducted annually from each year's net profit for the formation of the statutory reserve. The deduction for the formation of the statutory reserve ceases to be mandatory when the reserve amounts one-third (1/3) of the share capital. The aforementioned article provides that this reserve shall be used only before any dividend distribution to equalize any debit balance of the income statement

For the remaining companies of the Group the statutory reserve is established according to local regulations.



**b. Bonds reserves measured at fair value through other comprehensive income**

	2018
<b>Balance 31.12.2017 according to IAS 39</b>	<b>472,614</b>
Impact of the implementation of IFRS 9 as at 1.1.2018 (note 44)	37,059
<b>Opening Balance 1.1</b>	<b>509,673</b>
<b>Changes in period 1.1 - 31.12</b>	
Valuation of bonds measured at fair value through other comprehensive income, after income tax	(62,201)
Reclassification to income statement of reserve for bonds measured at fair value through other comprehensive income, after income tax	(333,335)
<b>Total</b>	<b>(395,536)</b>
<b>Balance 31.12</b>	<b>114,137</b>

The movements for the year of the securities reserves measured at fair value through other comprehensive income relating to the change in fair value and the transfer of the reserve to profit or loss, amount before tax to debit amounts of € 86,880 and € 469,486, respectively.

**c. Available for sale securities reserve**

	2017
<b>Opening Balance 1.1</b>	<b>102,638</b>
<b>Changes in period 1.1 - 31.12</b>	
Net change in fair value of available for sale securities, after income tax	413,916
Reclassification to income statement of reserve for available for sale securities, after income tax	(43,940)
<b>Total</b>	<b>369,976</b>
<b>Balance 31.12</b>	<b>472,614</b>

The movements for the year of the available for sale securities reserve relating to change in fair value and the transfer of the reserve to profit or loss amount before tax to credit amount € 572,608 and debit amount of € 64,943, respectively.

**d. Cash flow hedge reserve recognised directly in equity**

	31.12.2018	31.12.2017
<b>Opening Balance 1.1</b>	<b>(143,907)</b>	<b>(181,377)</b>
Change in cash flow hedge reserve after income tax	(1,931)	37,470
<b>Balance 31.12</b>	<b>(145,838)</b>	<b>(143,907)</b>

**e. Exchange differences on translating and hedging the net investment in foreign operations**

	2018	2017
<b>Opening Balance 1.1</b>	<b>(53,079)</b>	<b>(50,209)</b>
Change of Foreign Exchange differences on translating and hedging the net investment in foreign operations	8,624	(2,870)
<b>Balance 31.12</b>	<b>(44,455)</b>	<b>(53,079)</b>

**f. Share of other comprehensive income of associates and joint ventures**

	2018	2017
<b>Balance 1.1</b>	<b>(40)</b>	<b>(112)</b>
Change in the share of other comprehensive income of associates and joint ventures	(149)	72
<b>Balance 31.12</b>	<b>(189)</b>	<b>(40)</b>

<b>Total Reserves (a+b+c+d+e+f)</b>	<b>460,025</b>	<b>809,073</b>
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**g. Reserves relating to assets held for sale**

	2018	2017
<b>Opening Balance 1.1</b>	(122)	(68,579)
<b>Changes in period 1.1 - 31.12</b>		
Reserves of assets available for sale and foreign exchange difference transferred to income statement		68,457
<b>Total</b>	-	68,457
<b>Balance 31.12</b>	(122)	(122)

**37. Retained earnings**

- a. Since 2017 there were no distributable profits, in accordance with article 44a of Codified Law 2190/1920, the Ordinary General Meeting of Shareholders on 29.6.2018 decided the non-distribution of dividends to ordinary shareholders of the Bank.
- b. Pursuant to article 159 of Law 4548 / 2018 and due to the fact that there are no distributable profits for the year 2018, the Board of Directors of the Bank at the Ordinary General Assembly Meeting of Shareholders will propose the non-distribution of dividends to the shareholders of the Bank.
- c. "Retained Earnings" as of 31.12.2017 include expenses concerning the share capital increase, amounting to €560 after income tax.

**38. Hybrid securities**

	31.12.2018	31.12.2017
Perpetual with 1st call option on 18.2.2015 and per year	15,232	15,232
Securities held by Group companies	(125)	(125)
<b>Total</b>	15,107	15,107



## ADDITIONAL INFORMATION

### 39. Contingent liabilities and commitments

#### a. Legal issues

The Group, in the ordinary course of business, is a defendant in claims from customers and other legal proceedings. In the context of managing the operational risk events and on the basis of the accounting principles followed, the Group records all the filed lawsuits or similar actions performed by third parties against the Group and considers any possibility of their success, as well as the possible outcome.

For cases where there is a significant probability of a negative outcome, and the result may be sufficiently estimated, the Group creates a provision that is included in the Balance Sheet under the caption "Provisions". On 31.12.2018 the amount of the provision stood at € 30,575 (31.12.2017: € 32,905).

For cases where according to their progress and the evaluation of the Legal department on December 31, 2018, a negative outcome is not probable or the potential outflow cannot be estimated reliably due to the complexity of the cases, the time period they will last and the uncertainty of their outcome, the Group has not recognized a provision. As of 31.12.2018 the legal claims against the Group for the above cases amount to € 347,895 (31.12.2017: € 402,342).

According to the estimations of the legal department, the ultimate settlement of these matters is not expected to have a material effect on the financial position or the operations of the Group.

#### b. Tax issues

Alpha Bank has been audited by the tax authorities for the years up to and including 2010. The years 2011 and 2012 are considered prescribed as per the circular POL.1208/20.12.2017 of the Independent Public Revenue Authority. For the years 2011 up to 2017, the Bank has obtained a tax certificate with no qualifications according to the article 82 of Law 2238/1994 and the article 65a of Law 4174/2013. The former Emporiki Bank has been audited by the tax authorities for the years up to and including 2008. Years 2009-2012 are considered as closed, in accordance with the Circular POL.1208/20.12.2017 of the Independent Public Revenue Authority. For the years 2011 up to 2013 a tax certificate with no qualifications was issued.

Alpha Bank's branch in London has been audited by the tax authorities for 2015.

On 2.6.2015, the merger via absorption of Diners Club of Greece A.E.P.P. was completed. Diners Club of Greece A.E.P.P. has been audited by the tax authorities for the years up to and including 2010.

Years 2011 and 2012 are considered as closed, in accordance with the circular POL.1208/20.12.2017 of the Independent Public Revenue Authority. For the year 2013 it has obtained a tax certificate with no qualifications.

Based on circular POL.1006/5.1.2016 there is no exemption from tax audit by the tax authorities to those entities that have been tax audited by the independent auditor and they have received an unqualified tax audit certificate. Therefore, the tax authorities may reaudit the tax books for previous years.

Additional taxes and penalties may be imposed for the unaudited years the amount of which cannot be accurately determined.



The Group's subsidiaries have been audited by the tax authorities up to and including the year indicated in the table below:

Name	Year
<b>Banks</b>	
1. Alpha Bank London Ltd (voluntary settlement of tax obligation)	2015
2. Alpha Bank Cyprus Ltd (tax audit is in progress for the years 2013 - 2014)	2012
3. Alpha Bank Romania S.A.	2006
4. Alpha Bank Albania SH.A.	2011
<b>Leasing Companies</b>	
1. Alpha Leasing A.E.**	2012
2. Alpha Leasing Romania IFN S.A.	2014
3. ABC Factors A.E.**	2012
<b>Investment Banking</b>	
1. Alpha Finance A.E.P.E.Y. ** / ***	2012
2. SSIF Alpha Finance Romania S.A.	2002
3. Alpha Ventures A.E. ** / ***	2012
4. Alpha A.E. Ventures Capital Management - AKES ** / ***	2012
5. Emporiki Venture Capital Developed Markets Ltd	2007
6. Emporiki Venture Capital Emerging Markets Ltd	2008
<b>Asset Management</b>	
1. Alpha Asset Management A.E.D.A.K.** / ***	2012
2. ABL Independent Financial Advisers Ltd (voluntary settlement of tax obligation)	2015
<b>Insurance</b>	
1. Alpha Insurance Agents A.E.** / ***	2012
2. Alpha Insurance Brokers Srl	2005
3. Alphalife A.A.E.Z.** / ***	2012
<b>Real Estate and hotel</b>	
1. Alpha Astika Akinita A.E.**	2012
2. Emporiki Development and Real Estate Management A.E.	2012
3. Alpha Real Estate Management and Investments S.A. (former Ionian Holdings – the name changed on 10/2018)	2012
4. Alpha Real Estate Bulgaria E.O.O.D. (commencement of operation 2007)	*
5. Chardash Trading E.O.O.D. (commencement of operation 2006)	*
6. Alpha Real Estate Services Srl (commencement of operation 1998)	*
7. Alpha Investment Property Attikis A.E. (commencement of operation 2012)	**
8. Alpha Investment Property Attikis II A.E. (commencement of operation 2012)	**
9. Alpha Investment Property I A.E. (commencement of operation 2012)	**
10. AGI-RRE Participations 1 Srl (commencement of operation 2010)	*
11. Stockfort Ltd (commencement of operation 2010)	*
12. Romfelt Real Estate S.A. (commencement of operation 1991)	*
13. AGI-RRE Zeus Srl (commencement of operation 2012)	*
14. AGI-RRE Poseidon Srl (commencement of operation 2012)	*
15. AGI-RRE Hera Srl (commencement of operation 2012)	*
16. AGI-BRE Participations 2 E.O.O.D. (commencement of operation 2012)	*
17. AGI-BRE Participations 2BG E.O.O.D. (commencement of operation 2012)	*
18. AGI-BRE Participations 3 E.O.O.D. (commencement of operation 2012)	*
19. AGI-BRE Participations 4 E.O.O.D. (commencement of operation 2012)	*
20. APE Fixed Assets A.E.** / ***	2012
21. SC Cordia Residence Srl	2013

\* These companies have not been audited by the tax authorities since the commencement of their operations.

\*\* These companies received tax certificate for the years 2011 up to and including 2017 without any qualification whereas the years up to and including 2012 are considered as closed in accordance with the circular POL.1208/20.12.2017 (note 13).

\*\*\* These companies have been audited by the tax authorities up to and including 2009 in accordance with Law 3888/2010 which relates to voluntary settlement for the unaudited tax years.



Name	Year
<b>Real Estate and Hotel (continued)</b>	
22. HT-1 E.O.O.D (commencement of operation 2013 and sold on 19.12.2018)	*
23. AGI – RRE Cleopatra Srl (commencement of operation 2014)	*
24. AGI – RRE Hermes Srl (commencement of operation 2014)	*
25. SC Carmel Residential Srl (commencement of operation 2013)	*
26. Alpha Investment Property Neas Kifissias A.E. (commencement of operation 2014)	*
27. Alpha Investment Property Kallirois A.E. (commencement of operation 2014)	*
28. Alpha Investment Property Livadias A.E. (commencement of operation 2014)	*
29. Alpha Investment Property Kefalariou A.E. (commencement of operation 2015)	*
30. Alpha Investment Property Neas Erythreas A.E. (commencement of operation 2015)	*
31. Alpha Investment Property Chanion A.E. (former Anaplasia Plagias A.E.) (commencement of operation 2011)	*
32. Alpha Investment Property Kallitheas A.E. (commencement of operation 2017)	*
33. Asmita Gardens Srl	2010
34. Ashtrom Residents Srl (commencement of operation 2006)	*
35. Cubic Center Development S.A. (commencement of operation 2010)	*
36. AGI – BRE Participations 5 E.O.O.D. (commencement of operation 2015 – the company was sold on 25.6.2018)	*
37. AGI – SRE Participations 1 DOO (commencement of operation 2016)	*
38. Alpha Investment Property Spatwn A.E. (commencement of operation 2017)	*
39. TH Top Hotels S.R.L (commencement of operation 2009)	*
40. Kestrel Enterprise E.O.O.D. (commencement of operation 2013)	*****
41. House Properties Investments E.O.O.D. (commencement of operation 2013-the company was sold on 25.6.2018)	*****
42. Residence Properties Investments E.O.O.D. (commencement of operation 2013-the company was sold on 25.6.2018)	*****
43. Beroe real estate E.O.O.D. (commencement of operation 2018)	*
44. Alpha Investment Property Irakleiou A.E. (commencement of operation 2018)	*
45. Alpha Investment Property GII A.E. (commencement of operation 2018)	*
46. AGI-Cypr Property 1 Ltd (commencement of operation 2018)	*
47. AGI-Cypr Property 2 Ltd (commencement of operation 2018)	*
48. AGI-Cypr Property 3 Ltd (commencement of operation 2018)	*
49. AGI-Cypr Property 4 Ltd (commencement of operation 2018)	*
50. AGI-Cypr Property 5 Ltd (commencement of operation 2018)	*
51. AGI-Cypr Property 6 Ltd (commencement of operation 2018)	*
52. AGI-Cypr Property 7 Ltd (commencement of operation 2018)	*
53. AGI-Cypr Property 8 Ltd (commencement of operation 2018)	*
54. AGI-Cypr Property 9 Ltd (commencement of operation 2018)	*
55. AGI-Cypr Property 10 Ltd (commencement of operation 2018)	*
56. AGI-Cypr Property 11 Ltd (commencement of operation 2018)	*
57. AGI-Cypr Property 12 Ltd (commencement of operation 2018)	*
58. AGI-Cypr Property 13 Ltd (commencement of operation 2018)	*
59. AGI-Cypr Property 14 Ltd (commencement of operation 2018)	*
60. AGI-Cypr Property 15 Ltd (commencement of operation 2018)	*
61. AGI-Cypr Property 16 Ltd (commencement of operation 2018)	*
62. AGI-Cypr Property 17 Ltd (commencement of operation 2018)	*
63. AGI-Cypr Property 18 Ltd (commencement of operation 2018)	*
64. AGI-Cypr Property 19 Ltd (commencement of operation 2018)	*
65. AGI-Cypr Property 20 Ltd (commencement of operation 2018)	*
66. AGI-Cypr Property 21 Ltd (commencement of operation 2018)	*
67. AGI-Cypr Property 22 Ltd (commencement of operation 2018)	*
68. AGI-Cypr Property 23 Ltd (commencement of operation 2018)	*
69. AGI-Cypr Property 24 Ltd (commencement of operation 2018)	*
70. AGI-Cypr Pafos Ltd (commencement of operation 2018)	*

\* These companies have not been audited by the tax authorities since the commencement of their operations.

\*\*\*\*\* These companies became Group companies during 2017 as per bankruptcy procedures and since then have not been audited by tax authorities.



Name	Year
<b>Real Estate and Hotel (continued)</b>	
71. AGI-Cypre P&F Nicosia Ltd (commencement of operation 2018)	*
72. AGI-Cypre RES Nicosia Ltd (commencement of operation 2018)	*
73. AGI-Cypre P&F Limassol Ltd (commencement of operation 2018)	*
74. AGI-Cypre Alaminos Ltd (commencement of operation 2014)	*
75. AGI-Cypre Tochni Ltd (commencement of operation 2014)	*
76. AGI-Cypre Mazotos Ltd (commencement of operation 2014)	*
77. ABC RE L1 Ltd (commencement of operation 2018)	*
78. ABC RE L2 Ltd (commencement of operation 2018)	*
79. ABC RE L3 Ltd (commencement of operation 2018)	*
80. ABC RE P1 Ltd (commencement of operation 2018)	*
81. ABC RE P2 Ltd (commencement of operation 2018)	*
82. ABC RE P3 Ltd (commencement of operation 2018)	*
83. ABC RE P4 Ltd (commencement of operation 2018)	*
84. ABC RE P5 Ltd (commencement of operation 2018)	*
85. ABC RE P&F Limassol Ltd (commencement of operation 2018)	*
86. Kitma Holdings Ltd (commencement of operation 2006)	*
87. Vic City Srl	*
88. Alpha Real Estate Services LLC (commencement of operation 2010)	*
<b>Special purpose and holding entities</b>	
1. Alpha Credit Group Plc (voluntary settlement of tax obligation)	2015
2. Alpha Group Jersey Ltd	****
3. Alpha Group Investments Ltd (commencement of operation 2006)	*
4. Ionian Equity Participations Ltd (commencement of operation 2006)	2007
5. Emporiki Group Finance Plc (voluntary settlement of tax obligation – the company was liquidated on 20.12.2018)	2015
6. AGI – BRE Participations 1 Ltd (commencement of operation 2009)	*
7. AGI – RRE Participations 1 Ltd (commencement of operation 2009)	*
8. Alpha Group Ltd (commencement of operation 2012)	*
9. Katanalotika Plc (voluntary settlement of tax obligation)	2016
10. Epihiro Plc (voluntary settlement of tax obligation)	2016
11. Irida Plc (voluntary settlement of tax obligation)	2016
12. Pisti 2010 - 1 Plc (voluntary settlement of tax obligation)	2016
13. Alpha Shipping Finance Ltd (voluntary settlement of tax obligation)	2016
14. Alpha Proodos DAC (commencement of operation 2016)	*
15. AGI – RRE Athena Ltd (commencement of operation 2011)	*
16. AGI – RRE Poseidon Ltd (commencement of operation 2012)	*
17. AGI – RRE Hera Ltd (commencement of operation 2012)	*
18. Umera Ltd (commencement of operation 2012)	*
19. AGI – BRE Participations 2 Ltd (commencement of operation 2011)	*
20. AGI – BRE Participations 3 Ltd (commencement of operation 2011)	*
21. AGI – BRE Participations 4 Ltd (commencement of operation 2010)	*
22. AGI – RRE Ares Ltd (commencement of operation 2010)	*
23. AGI – RRE Venus Ltd (commencement of operation 2012)	*
24. AGI – RRE Artemis Ltd (commencement of operation 2012)	*
25. AGI – BRE Participations 5 Ltd (commencement of operation 2012)	*
26. AGI – RRE Cleopatra Ltd (commencement of operation 2013)	*
27. AGI – RRE Hermes Ltd (commencement of operation 2013)	*
28. AGI-Cypre Arsinoe Ltd (commencement of operation 2013)	*
29. AGI – SRE Ariadni Ltd (commencement of operation 2014)	*
30. Zerelda Ltd (commencement of operation 2012)	*

\* These companies have not been audited by the tax authorities since the commencement of their operations.

\*\*\*\* These companies are not subject to a tax audit.



Name	Year
<b>Special purpose and holding entities (continued)</b>	
31. AGI-Cypre Evagoras Ltd (commencement of operation 2014)	*
32. AGI-Cypre Tersefanou Ltd (commencement of operation 2014)	*
33. AGI-Cypre Ermis Ltd (commencement of operation 2014)	*
34. AGI – SRE Participations 1 Ltd (commencement of operation 2016)	*
<b>Other companies</b>	
1. Alpha Bank London Nominees Ltd	****
2. Alpha Trustees Ltd (commencement of operation 2002)	*
3. Kafe Alpha A.E.** / ***	2012
4. Alpha Supporting Services A.E.** / ***	2012
5. Real Car Rental A.E.** / ***	2012
6. Emporiki Management A.E.***	2012
7. Alpha Bank Notification Services A.E. (commencement of operation 2015)	*

### c. Operating leases

The Group's obligations with respect to leases relate to buildings used as branches and other operating units.

Specifically for the Bank, the duration of the lease agreements for new branches is set to three years with a unilateral renewal option by the Bank, for an additional nine years under the same terms and conditions as the original lease, while retaining the right to terminate the lease at any time during the nine year period. The policy of the Bank is to renew these contracts.

In the case of renewals of existing leases, the new lease is set to three years with a unilateral renewal option by the Bank for a further three years under the same terms and conditions as the original lease, while retaining the right to terminate the lease at any time during the second three years. The Bank's policy is also to renew these contracts

The minimum future lease payments are:

	31.12.2018	31.12.2017
less than one year	39,723	39,166
between one and five years	89,757	85,924
over five years	98,503	108,374
<b>Total</b>	<b>227,983</b>	<b>233,464</b>

The main differences between the minimum future lease payments and the estimated impact of the new IFRS 16 "Leases" are attributed to the following reasons:

- Future rentals are discounted,
- The following assumptions are used:
  - exclusion of leased properties for which the lease contract expires in 2019 and will not be renewed (short-term exemption),
  - assumption relating to the extension of the duration of leases for which although the lease contract expires within 2019, the Group will renew the contract,

\* These companies have not been audited by the tax authorities since the commencement of their operations.

\*\* These companies received tax certificate for the years 2011 up to and including 2017 without any qualification whereas the years up to and including 2012 are considered as closed in accordance with the circular POL.1208/20.12.2017 (note 13).

\*\*\* These companies have been audited by the tax authorities up to and including 2009 in accordance with Law 3888/2010 which relates to voluntary settlement for the unaudited tax years.

\*\*\*\* These companies are not subject to a tax audit.



- where there is a clause in the lease contract regarding increases in lease, future leases are adjusted on the date the respective increase becomes effective .

The Group's receivables from leases relate to leases from buildings to third parties

The minimum future lease fees are:

	31.12.2018	31.12.2017
less than one year	15,084	17,107
between one and five years	44,349	50,514
over five years	38,829	47,523
<b>Total</b>	<b>98,262</b>	<b>115,144</b>

#### d. Off balance sheet commitments

The Group as part of its normal operations, is bound by contractual commitments, that in the future may result in changes in its asset structure. These commitments are monitored in off balance sheet accounts and relate to letters of credit, letters of guarantee, undrawn credit facilities and credit limits.

Letters of credit are used to facilitate trading activities and relate to the financing of contractual agreements for the transfer of goods locally or abroad, by undertaking the direct payment on behalf of the third party bound by the agreement on behalf of the Group's client. Letters of credit, as well as letters of guarantee, are commitments under specific terms and are issued by the Group for the purpose of ensuring that its clients will fulfill the terms of their contractual obligations.

The outstanding balances are as follows:

	31.12.2018	31.12.2017
Letters of credit	30,695	29,313
Letters of guarantee and other guarantees	3,372,091	3,355,650

In addition, contingent liabilities for the Group arise from undrawn loan agreements and credit limits that may not be fulfilled immediately or may be partly fulfilled as long as the agreed upon requirements are fulfilled by counterparties.

From 1.1.2018, following the implementation of IFRS 9, the Group measures the expected credit losses for all the undrawn loan commitments and letters of credit / letters of guarantee, which are included in the caption "Provisions".

The balance of the above expected credit risk losses as of 31.12.2018 amounts to € 92,221 (note 33).

The Bank has committed to contribute in the share capital of the joint venture Alpha TANE0 AKES up to the amount of €64.

#### e. Assets pledged

Assets pledged, as at 31.12.2018 are analyzed as follows:

- Cash and balances with Central Banks
  - Cash and balances with Central Banks amounting to €722,351 (31.12.2017: €763,146) concerning the Group's obligation to maintain deposits in Central Banks according to percentages determined by the respective country. The amount of reserved funds that the Bank has to maintain to the Bank of Greece on average for the period from 19.12.2018 to 29.1.2019, amounts to €347,652 (31.12.2017: €312,991) and is included in the above balance. As at 31.12.2018, the pledged cash of the Bank amounts to €300.411.
  - Placements of €93,000 (31.12.2017:0) have been pledged to Central Banks for the purpose of participating in main refinancing operations.





- Due from Banks:
  - i. Pledged placements amounting to € 213,074 (31.12.2017: € 216,195) relate to guarantees provided on behalf of the Greek Government.
  - ii. Pledged placements to credit institutions amounting to € 1,059,932 (31.12.2017: € 947,939) which have been provided as guarantee for derivative and other repurchase agreements (repo).
  - iii. Pledged placements to credit institutions amounting to € 28,707 (31.12.2017: € 18,905) which have been provided for Letter of Credit or Guarantee Letters that the Bank issue for facilitating customer imports.
  - iv. Pledged placements of € 9,493 (31.12.2017: € 6,214) have been provided to the Resolution Fund as irrevocable payment commitment, as part of the 2016 up to 2018 contribution. This commitment must be fully covered by collateral exclusively in cash, as decided by the Single Resolution Board.
  - v. Placements of € 35,230 (31.12.2017: € 5,100) has been given as collateral for the issuance of bonds with nominal value of € 3,550,000 (31.12.2017: € 1,000,000), out of which bonds of 3,050,000 (31.12.2017: € 1,000,000) held by the Bank, as mentioned below under “Loans and advances to customers.
- Loans and advances from customers:
  - i. Loans of € 3,700,146 (31.12.2017: € 17,736,225) pledged to central banks for liquidity purposes.
  - ii. A carrying amount of € 3,323,619 (31.12.2017: € 3,390,710) which relates to corporate, consumer loans and credit cards has been securitized for the issuance of Special Purpose Entities’ corporate bond of a nominal value of € 4,174,400 (31.12.2017: € 4,174,400), held by the Bank, of which an amount of € 2,541,700 (31.12.2017: € 2,066,900) has been given as collateral for repurchase agreements (repo).
  - iii. A carrying amount of € 498,904 (31.12.2017: € 523,422) which relates to shipping loans, has been securitized for the purpose of financing the Group through a Special Purpose Entity, which amounts to € 267,589 (31.12.2017: € 317,066). An amount of € 21,720 (31.12.2017: € 23,125) included in “Due from Banks” has been given as collateral for the aforementioned transaction.
  - iv. A carrying amount of € 401,803 (31.12.2017: € 586,680) which relates to corporate loans have been securitized for the issuance of the Group’s special purpose entities’ bonds, which amounts to € 476,658 (31.12.2017: € 640,000) at 31.12.2018, out of which € 320,000 have been distributed to investors and € 320,000 is held by the Bank. As far as the amount held by the Bank is concerned, an amount of € 100,000 (31.12.2017: € 100,000) has been given as collateral for repurchase agreements (repo). An amount of € 93,644 (31.12.2017: € 80,886) included in “Due from Banks” has been given as collateral for the aforementioned transaction.
  - v. An amount of nominal value € 22,791 (31.12.2017: nominal value € 46,048) which relates to corporate loans, has been given as collateral for other loan facilities.
  - vi. An amount of mortgage loans of a nominal value of € 4,624,700 (31.12.2017: 1,112,325) has been used as collateral in the following covered bond issuance programs: Covered Bonds Issuance Program I and II and the Bank’s Securitized Securities Program. On 31.12.2018 the nominal value of the above bonds amounted to € 3,550,000 (31.12.2017: € 1,000,000), of which the Bank owns € 3,050,000 (31.12.2017: € 1,000,000) and have been used as collateral in the context of repurchase agreements amounting to € 3,050,000 (31.12.2017: € 1,000,000).
- Trading securities and investment securities:
  - i. A carrying amount of € 2,884,458 (31.12.2017: 3,436,247) of Greek Government securities, of which a carrying amount of € 2,883,561 (31.12.2017: 297,226) has been given as collateral for repurchase agreements (repo), while a carrying amount of € 897 has been given as collateral for customers’ derivatives transactions. Moreover, Greek Government treasury bills of nominal value of € 400,000 received as collateral for derivatives transactions with the Greek State, have been given as collateral for repurchase agreements (repo). Additionally,



on 31.12.2017, Greek Government Securities of a carrying amount of € 3.133.717 has been pledged to Central Banks for liquidity and Greek government securities with a carrying amount of € 5,304 were given as collateral for other financing operations. Also, the nominal value of Treasury Bills received as a collateral for derivative contracts with the Greek State as counterparty was € 300,000.

- ii. A carrying amount of € 423,660 (31.12.2017: € 251,507) relates to securities issued by the European Financial Stability Facility (EFSF), which has been pledged to Central Banks with the purpose to participate in main refinancing operations. Moreover, on 31.12.2017, a carrying amount of € 237,507 had been given as collateral for repurchase agreement (repo), while securities of a carrying amount of € 35,510 that have been used as collateral for reverse repurchase agreements (Reverse repo), has been given as collateral for repurchase agreements .
- iii. A carrying amount of € 42,433 (31.12.2017: € 263,460) of other corporate securities, has been given as a collateral of repo agreements.
- iv. A carrying amount of € 1,380,748 (31.12.2017: € 138,124) which relates to bonds issued by Other Governments and other issuers, have been given to Central Banks for liquidity purposes. In addition, bonds with a nominal value of € 464,700 and a fair value of € 504,012 refer to securities received as collateral in the context of reverse repo agreements and have been given to Central Banks for liquidity purposes.
- v. A carrying amount of € 13,219 (31.12.2017: € 15,424) which relates to other government bonds, has been pledged as a collateral for repurchase agreements (repo) to Central Banks.

## 40. Group Consolidated Companies

The consolidated financial statements, apart from the parent company Alpha Bank include the following entities:

### a. Subsidiaries

Name	Country	Group's ownership interest %	
		31.12.2018	31.12.2017
<b>Banks</b>			
1 Alpha Bank London Ltd	United Kingdom	100	100
2 Alpha Bank Cyprus Ltd (notes 51s, v, w, x, y, z, ad, al, am, as, aw, ba, bc, be, bp, 53 a, b)	Cyprus	100	100
3 Alpha Bank Romania S.A. (note 51m)	Romania	99.92	99.92
4 Alpha Bank Albania SHA	Albania	100	100
<b>Leasing companies</b>			
1 Alpha Leasing AE	Greece	100.00	100.00
2 Alpha Leasing Romania IFN S.A.	Romania	100.00	100.00
3 ABC Factors AE	Greece	100.00	100.00
<b>Investment Banking</b>			
1 Alpha Finance A.E.P.E.Y.	Greece	100.00	100.00
2 SSIF Alpha Finance Romania S.A.	Romania	99.98	99.98
3 Alpha Ventures AE (note 51bm)	Greece	100.00	100.00
4 Alpha AE Ventures Capital Management-AKES	Greece	100.00	100.00
5 Emporiki Venture Capital Developed Markets Ltd (note 51bn)	Cyprus	100.00	100.00
6 Emporiki Venture Capital Emerging Markets Ltd	Cyprus	100.00	100.00
<b>Asset Management</b>			
1 Alpha Asset Management AEDAK	Greece	100.00	100.00
2 ABL Independent Financial Advisers Ltd	United Kingdom	100.00	100.00
<b>Insurance</b>			
1 Alpha Insurance Agents AE	Greece	100.00	100.00
2 Alpha Insurance Brokers Srl	Romania	100.00	100.00
3 Alphalife AAEZ	Greece	100.00	100.00



Name	Country	Group's ownership interest %		
		31.12.2018	31.12.2017	
<b>Real estate and hotel</b>				
1	Alpha Astika Akinita AE (note 51bi)	Greece	93.17	93.17
2	Emporiki Development and Real Estate Management A.E. (note 51bm)	Greece	100.00	100.00
3	Alpha Real Estate Management and Investments S.A. /former Ionian Holdings (notes 51ap, bi)	Greece	100.00	
4	Alpha Real Estate Bulgaria E.O.O.D. (note 51q)	Bulgaria	93.17	93.17
5	Chardash Trading E.O.O.D. (notes 51o, 52)	Bulgaria	93.17	93.17
6	Alpha Real Estate Services Srl	Romania	93.17	93.17
7	Alpha Investment Property Attikis AE	Greece	100.00	100.00
8	Alpha Investment Property Attikis II AE	Greece	100.00	100.00
9	Alpha Investment Property I AE (note 51bi)	Greece	100.00	100.00
10	AGI-RRE Participations 1 Srl (note 51e)	Romania	100.00	100.00
11	Stockfort Ltd (note 51c)	Cyprus	100.00	100.00
12	Romfelt Real Estate S.A. (note 51h)	Romania	99.99	98.86
13	AGI - RRE Zeus Srl (note 51e)	Romania	100.00	100.00
14	AGI – RRE Poseidon Srl (note 51e)	Romania	100.00	100.00
15	AGI – RRE Hera Srl (note 51e)	Romania	100.00	100.00
16	AGI-BRE Participations 2 E.O.O.D. (note 51f)	Bulgaria	100.00	100.00
17	AGI-BRE Participations 2BG E.O.O.D.	Bulgaria	100.00	100.00
18	AGI-BRE Participations 3 E.O.O.D. (note 51f)	Bulgaria	100.00	100.00
19	AGI-BRE Participations 4 E.O.O.D. (note 51g)	Bulgaria	100.00	100.00
20	APE Fixed Assets AE (note 51ab)	Greece	72.20	72.20
21	SC Cordia Residence Srl (note 51e)	Romania	100.00	100.00
22	HT-1 E.O.O.D. (notes 51f, bh)	Bulgaria		100.00
23	AGI-RRE Cleopatra Srl (note 51e)	Romania	100.00	100.00
24	AGI-RRE Hermes Srl (note 51j) *	Romania	100.00	100.00
25	SC Carmel Residential Srl (note 51e)	Romania	100.00	100.00
26	Alpha Investment Property Neas Kifissias AE (note 51a)	Greece	100.00	100.00
27	Alpha Investment Property Kallirois (note 51a)	Greece	100.00	100.00
28	AGI-Cypre Alaminos Ltd (note 51b)	Cyprus	100.00	100.00
29	AGI-Cypre Tochni Ltd (note 51b)	Cyprus	100.00	100.00
30	AGI-Cypre Mazotos Ltd (notes 51b, t, bd)	Cyprus	100.00	100.00
31	Alpha Investment Property Livadias AE (note 51a)	Greece	100.00	100.00
32	Asmita Gardens Srl (note 51g)	Romania	100.00	100.00
33	Alpha Investment Property Kefalariou AE	Greece	54.17	54.17
34	Ashtrom Residents Srl (note 51e)	Romania	100.00	100.00
35	AGI-BRE Participations 5 E.O.O.D. (note 51u)	Bulgaria		100.00
36	Cubic Center Development S.A. (note 51e)	Romania	100.00	100.00
37	Alpha Investment Property Neas Erythraias A.E. (note 51a)	Greece	100.00	100.00
38	Alpha Investment Property Chanion AE	Greece	100.00	100.00
39	AGI-SRE Participations 1 DOO	Serbia	100.00	100.00
40	Alpha Investment Property Spaton AE (note 51a)	Greece	100.00	100.00
41	TH Top Hotels Srl	Romania	97.50	97.50
42	Alpha Investment Property Kallitheas AE	Greece	100.00	100.00
43	Kestrel Enterprise E.O.O.D.	Bulgaria	100.00	100.00
44	House Properties Investments E.O.O.D. (note 51u)	Bulgaria		100.00
45	Residence Properties Investments E.O.O.D. (note 51u)	Bulgaria		100.00
46	Beroe Real Estate E.O.O.D.	Bulgaria	100.00	100.00

\* The company does not have financial activity.



Name	Country	Group's ownership interest %		
		31.12.2018	31.12.2017	
<b>Real estate and hotel (continued)</b>				
47	Alpha Investment Property Irakleiou AE (note 51l)	Greece	100.00	
48	Alpha Investment Property GI AE (note 51r)	Greece	100.00	
49	AGI-Cypre Property 1 Ltd (notes 51s, y, bd)	Cyprus	100.00	
50	AGI-Cypre Property 2 Ltd (notes 51s, y, bd)	Cyprus	100.00	
51	AGI-Cypre Property 3 Ltd (notes 51s, y, bd)	Cyprus	100.00	
52	AGI-Cypre Property 4 Ltd (notes 51s, y, bd)	Cyprus	100.00	
53	AGI-Cypre Property 5 Ltd (notes 51v, y, bd)	Cyprus	100.00	
54	AGI-Cypre Property 6 Ltd (notes 51v, y, bd)	Cyprus	100.00	
55	AGI-Cypre Property 8 Ltd (notes 51v, bd)	Cyprus	100.00	
56	Kitma Holdings Ltd (notes 51k, 53e)	Cyprus	100.00	
57	Vic City Srl (notes 51k, 53e)	Romania	99.95	
58	AGI-Cypre Property 7 Ltd (notes 51x, bd)	Cyprus	100.00	
59	ABC RE L1 Ltd (notes 51w, aw)	Cyprus	100.00	
60	AGI-Cypre Property 9 Ltd (notes 51ad, ba, bd)	Cyprus	100.00	
61	AGI-Cypre Property 10 Ltd (notes 51ae, bd)	Cyprus	100.00	
62	AGI-Cypre Property 11 Ltd (notes 51ae, bd, bg)	Cyprus	100.00	
63	AGI-Cypre Property 12 Ltd (notes 51af, bd, bg)	Cyprus	100.00	
64	AGI-Cypre Property 13 Ltd (notes 51af, au, bd)	Cyprus	100.00	
65	AGI-Cypre Property 14 Ltd (notes 51ah, at, bd)	Cyprus	100.00	
66	AGI-Cypre Property 15 Ltd (notes 51af, at, bd)	Cyprus	100.00	
67	AGI-Cypre Property 16 Ltd (notes 51ag, ar, bd)	Cyprus	100.00	
68	AGI-Cypre Property 17 Ltd (notes 51af, aq, bd)	Cyprus	100.00	
69	AGI-Cypre Property 18 Ltd (notes 51af, au, bd)	Cyprus	100.00	
70	AGI-Cypre Property 19 Ltd (notes 51af, aq, bd)	Cyprus	100.00	
71	AGI-Cypre Property 20 Ltd (notes 51af, at, bd)	Cyprus	100.00	
72	AGI-Cypre RES Pafos Ltd (notes 51ai, bd)	Cyprus	100.00	
73	AGI-Cypre P&F Nicosia Ltd (notes 51ak, bd, bg)	Cyprus	100.00	
74	ABC RE P1 Ltd (note 51al)	Cyprus	100.00	
75	ABC RE P2 Ltd (note 51al)	Cyprus	100.00	
76	ABC RE P3 Ltd (note 51am)	Cyprus	100.00	
77	ABC RE L2 Ltd (note 51as)	Cyprus	100.00	
78	ABC RE P4 Ltd (note 51as)	Cyprus	100.00	
79	AGI-Cypre RES Nicosia Ltd (notes 51ax, 53g)	Cyprus	100.00	
80	AGI-Cypre P&F Limassol Ltd (note 51ax)	Cyprus	100.00	
81	AGI-Cypre Property 21 Ltd (notes 51ay, bd)	Cyprus	100.00	
82	AGI-Cypre Property 22 Ltd (notes 51az, bd)	Cyprus	100.00	
83	AGI-Cypre Property 23 Ltd (notes 51bb, bd)	Cyprus	100.00	
84	AGI-Cypre Property 24 Ltd (notes 51bf, 53g)	Cyprus	100.00	
85	ABC RE L3 Ltd (note 51bp)	Cyprus	100.00	
86	ABC RE P5 Ltd (note 51bc)	Cyprus	100.00	
87	ABC RE P&F Limassol Ltd (note 51be)	Cyprus	100.00	
88	Alpha Real Estate Services LLC	Cyprus	93.17	93.17
<b>Special purpose and holding entities</b>				
1	Alpha Credit Group Plc	United Kingdom	100.00	100.00
2	Alpha Group Jersey Ltd (note 51bq)	Jersey	100.00	100.00
3	Alpha Group Investments Ltd (notes 51l, r, av, bl, bn, 53f)	Cyprus	100.00	100.00
4	Ionian Holdings A.E. (note 51ap)	Greece		100.00
5	Ionian Equity Participations Ltd	Cyprus	100.00	100.00



Name	Country	Group's ownership interest %	
		31.12.2018	31.12.2017
<b>Special purpose and holding entities (continued)</b>			
6	Emporiki Group Finance Plc (note 51bj)	United Kingdom	100.00
7	AGI – BRE Participations 1 Ltd (notes 51d, t)	Cyprus	100.00
8	AGI – RRE Participations 1 Ltd (note 51c)	Cyprus	100.00
9	Alpha Group Ltd	Cyprus	100.00
10	Katanalotika Plc	United Kingdom	
11	Epihiro Plc	United Kingdom	
12	Irida Plc	United Kingdom	
13	Pisti 2010-1 Plc	United Kingdom	
14	Alpha Shipping Finance Ltd	United Kingdom	
15	Alpha Proodos DAC	Ireland	
16	AGI – RRE Athena Ltd (notes 51d, t)	Cyprus	100.00
17	AGI – RRE Poseidon Ltd (notes 51c, h)	Cyprus	100.00
18	AGI – RRE Hera Ltd (notes 51c, t)	Cyprus	100.00
19	Umera Ltd	Cyprus	100.00
20	AGI-BRE Participations 2 Ltd (note 51f)	Cyprus	100.00
21	AGI-BRE Participations 3 Ltd (note 51f)	Cyprus	100.00
22	AGI-BRE Participations 4 Ltd (notes 51f, t, bh)	Cyprus	100.00
23	AGI-RRE Ares Ltd (note 51c, t)	Cyprus	100.00
24	AGI-RRE Venus Ltd (note 51d, t)	Cyprus	100.00
25	AGI-RRE Artemis Ltd (note 51c)	Cyprus	100.00
26	AGI-BRE Participations 5 Ltd (note 51d)	Cyprus	100.00
27	AGI-RRE Cleopatra Ltd (notes 51c, t)	Cyprus	100.00
28	AGI-RRE Hermes Ltd (notes 51c, t)	Cyprus	100.00
29	AGI-RRE Arsinoe Ltd (note 51c)	Cyprus	100.00
30	AGI-SRE Ariadni Ltd (note 51d)	Cyprus	100.00
31	Zerelda Ltd (notes 51d, t)	Cyprus	100.00
32	AGI-Cypre Evagoras Ltd (note 51c)	Cyprus	100.00
33	AGI-Cypre Tersefanou Ltd (notes 51d, k,t)	Cyprus	100.00
34	AGI-Cypre Ermis Ltd (notes 51s, v, x, y, ae, af, ag, ah, ai, ak, aq, ar, at, au, ax, ay, az, ba, bb, bd, bf, bg, bo, 53 c, d, g)	Cyprus	100.00
35	AGI-SRE Participations 1 Ltd (note 51d, t)	Cyprus	100.00
<b>Other companies</b>			
1	Alpha Bank London Nominees Ltd	United Kingdom	100.00
2	Alpha Trustees Ltd (note 51d)	Cyprus	100.00
3	Kafe Alpha AE	Greece	100.00
4	Alpha Supporting Services AE	Greece	100.00
5	Real Car Rental AE	Greece	100.00
6	Emporiki Management S.A. (note 51aj)	Greece	100.00
7	Alpha Bank Notification Services AE	Greece	100.00

## b. Joint Ventures

Name	Country	Group's ownership interest %	
		31.12.2018	31.12.2017
1	APE Commercial Property AE (notes 51aa, an)	Greece	72.20
2	APE Investment Property A.E. (note 51p)	Greece	71.08
3	Alpha TANEO AKES (notes 51i, ac, ao, bk)	Greece	51.00
4	Rosequeens Properties Ltd	Cyprus	33.33
5	Panarae Saturn LP	Jersey	61.58
6	Alpha Investment Property Commercial Stores A.E.	Greece	70.00

**c. Associates**

Name	Country	Group's ownership interest %	
		31.12.2018	31.12.2017
1 AEDEP Thessalias and Stereas Ellados	Greece	50.00	50.00
2 ALC Novelle Investments Ltd	Cyprus	33.33	33.33
3 Banking Information Systems A.E.	Greece	23.77	23.77
4 Propindex AEDA	Greece	35.58	35.58
5 Olganos AE	Greece	30.44	30.44
6 Alpha Investment Property Elaiona A.E. (notes 51av, 53f)	Greece	50.00	50.00
7 Selonda Aquaculture A.E.G.E.	Greece	21.97	21.97
8 Nireus Aquaculture A.E.	Greece	20.65	20.65
9 Famar S.A.	Luxembourg	47.04	47.04
10 Cepal Holdings A.E.	Greece	38.61	38.90

On Subsidiaries the following are noted:

The subsidiary company Stockfort Ltd is a group of companies, that includes the following companies: Sheynovo Offices E.O.O.D., Sheynovo Apartments E.O.O.D., Sheynovo Residence E.O.O.D., Serdica 2009 E.O.O.D. and Pernik Logistics Park E.O.O.D. With the exception of Pernik Park E.O.O.D., the rest of the four entities of the Group are classified as assets held of sale and they are measured in accordance to IFRS 5 (note 49).

During 2018, three Mutual Funds under management of the subsidiary Alpha Asset Management are not included in the consolidated financial statements, since according to the Group's participation there is no control over the mutual funds.

Consolidated financial statements do not include Commercial Bank of London Ltd which is a dormant company and Smelter Medical Systems A.E.B.E., Aris Diomidis Emporiki S.A., Metek S.A. and Flagbright Ltd, which have been fully impaired and are in the process of liquidation.

The Group hedges the foreign exchange risk arising from the net investment in subsidiaries through the use of derivatives in their functional currency.

During current year, the Group completed the valuation of TH-Top Hotels Srl net assets, which was acquired during the second quarter of 2017. Moreover, following the completion of the valuation of net assets of Kestrel Enterprise E.O.O.D., which was acquired in the fourth quarter of 2017, no goodwill has been recognized.

Additionally, 2018, the Group gained control over the entities Kitma Holdings Ltd and Vic City Srl in the context of transactions for repossession of collaterals from financing, which has been given by the Group. The valuation of the assets and liabilities acquired in the aforementioned transactions has not yet been.

Finally, during 2018, AGI-BRE Participations 5 E.O.O.D., House Properties Investments E.O.O.D. and Residence Properties Investments E.O.O.D. were sold for a total price of € 1 , and the subsidiary HT-1 E.O.O.D. for a consideration of € 2,100.

Regarding the associates and Joint Ventures, the following are noted:

Cepal Holdings S.A. is the parent company of the group companies with subsidiaries the companies Cepal Hellas Financial Services Societe Anonyme for the Management of Receivables from Loans and Credits, Kaican Services Limited and Kaican Hellas S.A.

APE Investment Property is the parent company of a group of companies, in which the subsidiaries SYMET A.E., Astakos Terminal A.E., Akarport A.E. and NA.VI.PE. A.E. are included. Furthermore, Rosequeens Properties Ltd is the parent company of a group of companies where its subsidiary is Rosequeens Properties Srl.

In addition, in the year 2018 Alpha Investment Property Commercial Stores A.E., was established by Alpha Group Investments Ltd, subsidiary of the Bank with a stake of 70%. The purpose of establishing the company is mainly related to the management, rental and sale of real estate. Under the terms of the company's Articles of Association, it was assessed that joint control was exercised with the other shareholder and therefore the company was classified as a joint venture.



The Group accounts the aforementioned groups under the equity method, based on their consolidated financial statements, except APE Investment Property A.E. which is classified as assets held for sale and is valued according to IFRS 5 (note 49).

### Group subsidiaries with non controlling interests

The table below presents information concerning the Group's subsidiaries with non controlling interests.

Name	Country	Non controlling interests %		Profit/(loss) attributable to non controlling interests		Other comprehensive income recognized directly in Equity for non controlling interests		Non controlling interests	
		31.12.2018	31.12.2017	FROM 1 JANUARY TO		FROM 1 JANUARY TO		31.12.2018	31.12.2017
				31.12.2018	31.12.2017	31.12.2018	31.12.2017		
1. APE Fixed Assets A.E.	Greece	27.80	27.80	(92)	(70)			10,938	10,947
2. Alpha Astika Akinita A.E.	Greece	6.83	6.83	182	196			9,483	9,301
3. Alpha Real Estate Bulgaria E.O.O.D.	Bulgaria	6.83	6.83	4	(2)			24	20
4. Chardash Trading E.O.O.D.	Bulgaria	6.83	6.83	(16)	(62)			(48)	(32)
5. Alpha Bank Romania S.A.	Romania	0.08	0.08	4	38		(8)	315	311
6. Romfelt Real Estate S.A.	Romania	0.01	1.14	(1)	(13)		5		(198)
7. Alpha Real Estate Services Srl	Romania	6.83	6.83	17	13		(2)	75	58
8. Alpha Real Estate Services LLC	Cyprus	6.83	6.83	17	5			19	2
9. SSIF Alpha Finance Romania S.A.	Romania	0.02	0.02						
10. Alpha Investment Property Kefalariou AE	Greece	45.83	45.83	(112)	(122)			7,999	8,111
11. TH Top Hotels Srl	Romania	2.50	2.50	(5)	(2)			9	14
<b>Total</b>				<b>(2)</b>	<b>(19)</b>	<b>-</b>	<b>(5)</b>	<b>28,814</b>	<b>28,534</b>

The percentage of voting rights of non controlling interests in subsidiaries does not differ from their participation in the share capital.

From the above subsidiaries significant percentage of voting rights of non controlling interests exist is Alpha Astika Akinita A.E., Alpha Investment Properties Kefalariou A.E., due to the share capital increase on 3.2.2017 in which the minority shareholders participated with the amount of € 8,260 and in APE Fixed Assets A.E.

Condensed financial information for Alpha Astika Akinita, Alpha Investment Property Kefalariou A.E. and APE Fixed Assets A.E., are presented below. Their respective data is based on amounts before the elimination of intercompany transactions.

### Condensed Statement of Comprehensive Income

	Alpha Astika Akinita A.E.		Alpha Investment Property Kefalariou AE		APE Fixed Assets A.E.	
	FROM 1 JANUARY TO		FROM 1 JANUARY TO		FROM 1 JANUARY TO	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Total income	12,650	13,387	100	100		
Total expenses	(8,650)	(9,113)	(294)	(305)	(412)	(260)
<b>Profit/(loss) for the year after income tax</b>	<b>2,668</b>	<b>3,391</b>	<b>(243)</b>	<b>(266)</b>	<b>(332)</b>	<b>(251)</b>
<b>Total comprehensive income for the year, after income tax</b>	<b>2,668</b>	<b>3,391</b>	<b>(243)</b>	<b>(266)</b>	<b>(332)</b>	<b>(251)</b>

**Condensed Balance Sheet**

	Alpha Astika Akinita A.E.		Alpha Investment Property Kefalariou AE		APE Fixed Assets A.E.	
	FROM 1 JANUARY TO 31.12.2018	31.12.2017	FROM 1 JANUARY TO 31.12.2018	31.12.2017	FROM 1 JANUARY TO 31.12.2018	31.12.2017
Total non-current assets	56,749	67,944	17,369	17,535	39,496	39,647
Total current assets	77,874	72,471	66	256	73	23
Total short-term liabilities	3,222	2,502	26	27	19	6
Total long-term liabilities	1,522	1,698	132	66	207	287
Total Equity	129,880	136,215	17,277	17,698	39,343	39,378

**Condensed Statement of Cash Flows**

	Alpha Astika Akinita A.E.		Alpha Investment Property Kefalariou AE		APE Fixed Assets A.E.	
	FROM 1 JANUARY TO 31.12.2018	31.12.2017	FROM 1 JANUARY TO 31.12.2018	31.12.2017	FROM 1 JANUARY TO 31.12.2018	31.12.2017
Total inflows/(outflows) from operating activities	976	2,441	(12)	(17,553)	(248)	(115)
Total inflows/(outflows) from investing activities	2,223	8,839		(81)		
Total inflows/(outflows) from financing activities			(179)	17,880	297	129
<b>Total inflows/(outflows) for the year</b>	<b>3,199</b>	<b>11,280</b>	<b>(191)</b>	<b>246</b>	<b>49</b>	<b>14</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>68,962</b>	<b>57,682</b>	<b>257</b>	<b>11</b>	<b>23</b>	<b>9</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>72,161</b>	<b>68,962</b>	<b>66</b>	<b>257</b>	<b>72</b>	<b>23</b>

No dividends were distributed by the aforementioned companies, for the years 2018 and 2017.

**Significant Restrictions**

Group's significant restrictions regarding the use of assets or the settlement of obligations, are those imposed by the regulatory framework in which subsidiaries supervised for their capital adequacy, mainly operate. In particular, the regulatory authorities request, where appropriate and depending on the nature of the company, the compliance with specific thresholds, as in example the maintenance of a specific level of capital buffers and liquid assets, the limitation of exposure to other Group companies and the compliance with specific ratios. The total assets and liabilities of the subsidiaries operating in the banking, insurance and other mainly financial sectors with significant restrictions amount to €9,576,714 (31.12.2017 €9,326,135) and €8,341,900 (31.12.2017 €7,989,017) respectively.

In addition, all greek subsidiaries are subject to the restrictions imposed by the regulatory framework (Codified Law 2190/1920 or a more specific legislation depending on the nature of activities) regarding the minimum threshold of the share capital and equity as well as the potential dividend distribution.

Moreover, the cash withdrawals and free capital flows restrictions imposed by Legislative Act within 2015, and any ministerial or other decision issued, impose restrictions to Greek subsidiaries of the Group, to transfer capitals out of Greece.

There are no protective rights over non controlling interest, which could restrict the Group's ability to use assets or settle Group's obligations.





### Consolidated structured entities

The Group consolidates six structured entities which were established to accommodate transactions related to securitized loans issued by Group companies. Securitization transactions aim to raise liquidity by issuing bonds or other legal form of borrowing. In all cases, the Group has concluded that it controls these companies since it has the power over their activities and has a significant exposure to their returns.

Bonds and other financial instruments which are issued by the consolidated structured companies are fully -owned by the Bank with the exception of shipping and corporate (SME) loans securitization transaction through the company Alpha Shipping Finance Ltd and Alpha Proodos DAC, where all the high-priority payment debt is held by third parties outside the Group.

Depending on the criteria required for each securitized portfolio, the Group, without having any relevant contractual obligation, proceeds in ad hoc repurchases of securitized loans. In addition, for the securitization transactions that are in replacement period the Group proceeds with new securitization of loan portfolios transferring them to those companies, in order to meet specific quantitative criteria related to the amount of debt securities. The intention of the Group is to continue this practice. The table below presents the balances of debt securities or other form of debt issued per consolidated special structure entity that constitute tools of raising liquidity.

Entity name	Nominal value	
	31.12.2018	31.12.2017
Epihiro Plc	1,593,400	1,593,400
Katanalotika Plc	1,520,000	1,520,000
Pisti 2010-1 Plc	586,200	586,200
Irida Plc	474,800	474,800
Alpha Shipping Finance Ltd	267,569	316,712
Alpha Proodos DAC	476,658	640,000

Furthermore, on 31.12.2018, the Group had granted subordinated loans amounting to € 207,945 (31.12.2017: € 261,849) to the structured entities for credit enhancement purposes of the securitization transactions. Further to the above loans, the Group has no contractual obligation to grant additional funding to the companies, except for Alpha Proodos DAC and Alpha Shipping Finance Ltd to which the Group is required, if needed to grant additional subordinated loan.

Additionally, the Group is currently not consolidating the three mutual funds managed by Alpha Asset Management AEDAK, since based on the participation percentage at the end of the year 2018, it was assessed that the Group does not hold the control.

### Changes of ownership interest in subsidiaries which did not result in loss of control

The transactions with minority interests shareholders (in which the Group retained the control) for the year 2018 and 2017 respectively, in which the Group maintained control.

On 27.3.2018 the subsidiary of the Group, AGI-RRE Poseidon Ltd, covered its share in the share capital increase of its subsidiary Romfelt Real Estate S.A., and on 18.5.2018 proceeded to full cover, given the non-participation of the minority. As a result, the participation of AGI-RRE Poseidon Ltd was 99.99% of the share capital of Romfelt Real Estate S.A., compared to 98.86% before the increase.

On 5.1.2017 the subsidiary Alpha Group Investments Ltd proceeded to the disposal of 45,84% of shares of Group's subsidiary company Alpha Investment Property Kefalariou A.E with the price of € 11.

The effect from the changes in subsidiary participation in total equity attributed to the shareholders of the company during the years 2018 and 2017 is presented in the following tables:



	Change in ownership interest Romfelt Real Estate S.A. 1.1.2018 - 31.12.2018	Change in ownership interest AEP Kefalariou A.E. 1.1.2017 - 31.12.2017
Carrying amount acquired by non-controlling interests	(198)	
Carrying amount allocated to non-controlling interests		(15)
Contribution received		11
Amount attributable to the Bank's shareholders	(198)	(26)

### Loss of control in subsidiary due to sale

On 16.5.2018 the liquidation procedure of the group's subsidiary Preserville Enterprises Ltd was completed.

On 25.6.2018 the sale of the total shares of the group's subsidiary AGI BRE Participations 5 E.O.O.D. and its subsidiaries House Properties Investments E.O.O.D. and Residence Properties Investments E.O.O.D was completed. There was no gain or loss from the transaction.

On 19.12.2018 the group's subsidiary AGI BRE Participations 4 Ltd proceeded with the sale of the total shares of its subsidiary HT 1 E.O.O.D. for a consideration of €2,100. The transaction resulted in a loss of €714.

On 20.12.2018 the liquidation of the bank's subsidiary, Emporiki Group Finance Plc, was completed.

On 11.4.2017 the sale of all shares of the Bank's subsidiary, Alpha Bank Srbija A.D. was completed, in accordance with the relevant agreement of 30.1.2017 with the serbian group of companies MK Group (note 49).

On 18.5.2017, the sale of all shares of Group's subsidiary, AGI BRE Participations 1 E.O.O.D. was completed for an amount of €1. The gains of the above transaction reached the amount of €1,121.

On 20.6.2017, the sale of all shares of Group's subsidiary, AGI-SRE Ariadni DOO was completed for an amount of €1. The gains of the above transaction reached the amount of €1,028.

On 28.11.2017 the subsidiary company of the Group, Alpha Astika Akinita A.E. proceeded with the disposal of all owned shares of Alpha Real Estate D.O.O. Beograd, with the price of €8,400. The above transaction has affected the "Gains less losses on financial transactions and impairments on Group companies" of the Group by €2,998.

On 11.12.2017 the sale of all shares of Group's subsidiary, EVISAK S.A. was completed, for an amount of €2,136. The above transaction has affected the "Gains less losses on financial transactions and impairments on Group companies" of the Group by €1,095.

### Exposure to non-consolidated structured entities

The Group, through its subsidiary Alpha Asset Management AEDAK, manages 42 (31.12.2017: 48) mutual funds which meet the definition of structured entities and on each reporting date, it assesses whether it exercises any control on these entities according the provisions of IFRS 10.

The Group, as the manager of the mutual funds has the ability to direct the activities which significantly affect their rate of return through selecting the investments made by the funds, always within the framework of permitted investments as described in the regulation of each fund. As a result, the Group has power over the mutual funds under management but within a clearly defined decision making framework. Moreover the Group is exposed to variable returns, through its involvement in the mutual funds as it receives fees for the disposal, redemption and management of the funds under normal market levels for similar services. The Group also holds direct investments in some of the funds under management, the level of which is assessed to be determined whether it leads to a significant variability in the return compared to the respective total rate of return variability for the mutual fund. Due to these factors, the Group assessed that, for all mutual funds under management, it exercises, for the benefit of unit holders, the decision making rights assigned to it acting as an agent without controlling the mutual funds.

The following table presents the figures of the mutual funds under Group's management but not controlled, grouped by type of investments held. The amounts shown include the total assets of the funds at the balance sheet date and the income recognized in the Group's income statement during the year from the funds under management concerning fees for the disposal, redemption and management services.



	Total Assets		Commission income	
	31.12.2018	31.12.2017	FROM 1 JANUARY TO 31.12.2018	31.12.2017
<b>Category of Mutual Funds</b>				
Bond Funds	326,680	354,540	3,624	3,993
Money Market Funds	113,343	186,109	949	1,327
Equity Funds	363,345	446,434	10,050	10,288
Balanced Funds	226,272	220,750	3,585	3,671
<b>Total</b>	<b>1,029,640</b>	<b>1,207,833</b>	<b>18,208</b>	<b>19,279</b>

On 1.1.2018, the direct investment of the Group in the above mutual funds was classified, in the investment portfolio measured at fair value through profit or loss, under the IFRS 9, as they did not meet the definition of equity instrument. The book value of the investment in mutual funds as at 31.12.2018 amounts to € 19,315 (31.12.2017: € 17,291). The change in the valuation of the aforementioned funds during the financial year 2018 amounted to a loss of € 1,799. During the year 2017, an amount of € 84 was recognized in the Group's income statement as impairment losses on the available-for-sale portfolios managed.

The Group has also entered into derivative transactions with the mutual funds that it manages as a counterparty. The carrying amount of assets and liabilities of these derivative financial instruments amounts to € 0 (31.12.2017: € 62) and € 397 (31.12.2017: € 1,466.7), respectively. It is noted that the Group has fully hedged its position in these derivatives.

It should be noted that there is no contractual obligation for the Group to provide financial support to any of the mutual funds under management nor does it guarantee their rate of return.

In addition, the Group manages Alpha TANE0 Ventures Capital Management Mutual Fund through its subsidiary Alpha A.E. Venture Capital Management -AKES. The unit holders of this mutual fund are the Bank owning 51% and the New Economy Development Fund S.A. owning 49%. Both parties mutually control the mutual fund and as a result the Group's investment in Alpha TANE0 A.K.E.S is measured under the equity method. The carrying amount of the Group's investment on 31.12.2018 amounts to € 3,054 (31.12.2017: € 2,853) and is included in Associates and Joint Ventures. The Group's share of Alpha TANE0 AKES profit or loss is presented in note 21. Company's total assets amounted to € 6,037 as at 31.12.2018 (31.12.2017: € 5,654). The Group's commission income for the management of the mutual fund for 2018 amounted to € 84 (2017: € 163). The Bank has undertaken the obligation to participate in additional investments in the share capital of the joint venture up to € 64. This commitment along with participation's carrying amount represent the maximum exposure of the Group to Alpha TANE0 AKES.

The Group also participates in other structured entities through investment in private equity mutual funds which are not managed by it, as well as in companies whose operation involves the issuance of asset-backed securities through its investment in their securities. The following table presents the abovementioned Group's investments. As indication of the size of the structured entities the total assets of the private equity mutual funds according to the most recent available financial statements and the total nominal value of the issue of asset backed securities are given.



	Carrying Value		Total Assets / Value of issue	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
<b>Category of structured entity</b>				
<b>Investment securities - measured at fair value through other comprehensive income</b>				
Private Equity Mutual Funds	17,219	-	325,657	-
Asset- backed securities	1,238	-	402,086	-
<b>Investment securities-measured at fair value through profit or loss</b>				
Asset- backed securities	6,780	-	28,500	-
<b>Investment securities-available for sale</b>				
Private Equity Mutual Funds	-	23,133	-	365,264
Asset- backed securities	-	8,433	-	992,461
<b>Investment securities held to maturity</b>				
Asset- backed securities	-	319	-	3,816
<b>Investments in associates and joint ventures</b>				
Private Equity Mutual Funds	1,306	1,400	2,672	3,089

The Group has committed to participate in further investments of these mutual funds up to the amount of € 700 (31.12.2017: € 700). This commitment and the carrying amount of the investment, consist the maximum Group's exposure to these investments.

From its investment in asset-backed securities the Group recognized during 2018 interest income amounting to € 267 (2017: € 285.2) and profits amounting to € 702 (2017: gains € 162.6) in Gains less losses on financial transactions and impairments on Group companies. There is no contractual obligation of providing financial support to the companies which have issued these securities by the Group. The maximum exposure of the Group to losses from the asset-backed securities is not different from their carrying value.

#### 41. Disclosures of Law 4261/5.5.2014

Article 81 of Law 4261/5.5.2014 incorporated into Greek legislation the Article 89 of Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013, according to which, it is adopted for the first time the obligation to disclose information on a consolidated basis by Member State and third country in which the Group has headquarters and specified as follows: name or names, nature of business, geographic location, turnover, results before tax, taxes on results, public subsidies received and number of full time employees.

The required information is listed below:

#### Greece

Turnover in Greece on 31.12.2018 amounted to € 2,690,637, results before tax amounted to losses € (361,363), credit taxes on results amounted to € 432,711 and the number of employees was 8,170 for the following companies that included:

<b>Banks</b>
1. Alpha Bank A.E.
<b>Financing Companies</b>
1. Alpha Leasing A.E.
2. ABC Factors A.E.
<b>Investment Banking</b>
1. Alpha Finance A.E.P.E.Y.
2. Alpha Ventures A.E.
3. Alpha A.E. Ventures Capital Management -AKES



<b>Asset Management</b>
1. Alpha Asset Management A.E.D.A.K.
<b>Insurance</b>
1. Alpha Insurance Agents A.E.
2. Alphalife A.A.E.Z.
<b>Real Estate and Hotel</b>
1. Alpha Astika Akinita A.E.
2. Alpha Real Estate Management and Investments S.A. (former Ionian Holdings AE)
3. Emporiki Development and Real Estate Management A.E.
4. Alpha Investment Property Attikis A.E.
5. Alpha Investment Property Attikis II A.E.
6. Alpha Investment Property I A.E.
7. APE Fixed Assets A.E.
8. Alpha Investment Property Neas Kifisias A.E.
9. Alpha Investment Property Kallirois A.E.
10. Alpha Investment Property Livadias A.E.
11. Alpha Investment Property Kefalariou A.E.
12. Alpha Investment Property Neas Erythraias A.E.
13. Alpha Investment Property Chanion A.E.
14. Alpha Investment Property Spaton A.E.
15. Alpha Investment Property Kallitheas A.E.
16. Alpha Investment Property Irakleiou A.E.
17. Alpha Investment Property Gi A.E.
<b>Other</b>
1. Kafe Alpha A.E.
2. Alpha Supporting Services A.E.
3. Real Car Rental A.E.
4. Emporiki Management A.E.
5. Alpha Bank Notification Services A.E.

## United Kingdom

Turnover in United Kingdom on 31.12.2018 amounted to € 37,672, results before tax amounted to gains € 3,798, debit taxes on results amounted to € (675), the number of employees was 56 and the following companies were included:

<b>Banks</b>
1. Alpha Bank London Ltd
<b>Asset Management</b>
1. ABL Independent Financial Advisers Ltd
<b>Special purpose and holding entities</b>
1. Alpha Credit Group Plc
2. Emporiki Group Finance Plc
3. Irida Plc
4. Alpha Shipping Finance Ltd
<b>Other</b>
1. Alpha Bank London Nominees Ltd



## Cyprus

Turnover in Cyprus on 31.12.2018 amounted to € 125,997, results before tax amounted to losses € (200,770), debit taxes on results amounted to € (3,685) the number of employees was 693 and the following companies were included:

<b>Banks</b>
1. Alpha Bank Cyprus Ltd
<b>Investment Banking</b>
1. Emporiki Venture Capital Developed Markets Ltd
2. Emporiki Venture Capital Emerging Markets Ltd
<b>Real Estate and Hotel</b>
1. Stockfort Ltd
2. Alpha Real Estate Services LLC
3. AGI-Cypre Alaminos Ltd
4. AGI-Cypre Tochni Ltd
5. AGI-Cypre Mazotos Ltd
6. AGI-Cypre Property 1 Ltd
7. AGI-Cypre Property 2 Ltd
8. AGI-Cypre Property 3 Ltd
9. AGI-Cypre Property 4 Ltd
10. AGI-Cypre Property 5 Ltd
11. AGI-Cypre Property 6 Ltd
12. AGI-Cypre Property 8 Ltd
13. Kitma Holdings Ltd
14. AGI-Cypre Property 7 Ltd
15. ABC RE L1 Ltd
16. AGI-Cypre Property 9 Ltd
17. AGI-Cypre Property 10 Ltd
18. AGI-Cypre Property 11 Ltd
19. AGI-Cypre Property 12 Ltd
20. AGI-Cypre Property 13 Ltd
21. AGI-Cypre Property 14 Ltd
22. AGI-Cypre Property 15 Ltd
23. AGI-Cypre Property 16 Ltd
24. AGI-Cypre Property 17 Ltd
25. AGI-Cypre Property 18 Ltd
26. AGI-Cypre Property 19 Ltd
27. AGI-Cypre Property 20 Ltd
28. AGI-Cypre Pafos Ltd
29. AGI-Cypre P&F Nicosia Ltd
30. ABC RE P1 Ltd
31. ABC RE P2 Ltd
32. ABC RE P3 Ltd



33. ABC RE L2 Ltd
34. ABC RE P4 Ltd
35. AGI-Cypre RES Nicosia Ltd
36. AGI-Cypre P&F Limassol Ltd
37. AGI-Cypre Property 21 Ltd
38. AGI-Cypre Property 22 Ltd
39. AGI-Cypre Property 23 Ltd
40. AGI-Cypre Property 24 Ltd
41. ABC RE L3 Ltd
42. ABC RE P5 Ltd
43. ABC RE P&F Limassol Ltd
<b>Special purpose and holding entities</b>
1. Alpha Group Investments Ltd
2. Ionian Equity Participations Ltd
3. AGI-BRE Participations 1 Ltd
4. AGI-RRE Participations 1 Ltd
5. Alpha Group Ltd
6. AGI-RRE Athena Ltd
7. AGI-RRE Poseidon Ltd
8. AGI-RRE Hera Ltd
9. Umera Ltd
10. AGI-BRE Participations 2 Ltd
11. AGI-BRE Participations 3 Ltd
12. AGI-BRE Participations 4 Ltd
13. AGI-RRE Ares Ltd
14. AGI-RRE Venus Ltd
15. AGI-RRE Artemis Ltd
16. AGI-BRE Participations 5 Ltd
17. AGI-RRE Cleopatra Ltd
18. AGI-RRE Hermes Ltd
19. AGI-Cypre Arsinoe Ltd
20. AGI-SRE Ariadni Ltd
21. Zerelda Ltd
22. AGI-Cypre Evagoras Ltd
23. AGI-Cypre Tersefanou Ltd
24. AGI-Cypre Ermis Ltd
25. AGI-SRE Participations 1 Ltd
<b>Other</b>
1. Alpha Trustees Ltd

**Romania**

Turnover in Romania as at 31.12.2018 amounted to € 173,475, results before tax amounted to gains of € 25,955, debit tax on results or losses amounted to € (19,734), the number of employees was 1,976 and the following companies were included:

<b>Banks</b>
1. Alpha Bank Romania S.A.
<b>Leasing</b>
1. Alpha Leasing Romania IFN S.A.
<b>Investment Banking</b>
1. SSIF Alpha Finance Romania S.A.
<b>Insurance</b>
1. Alpha Insurance Brokers Srl
<b>Real estate and hotel</b>
1. Alpha Real Estate Services Srl
2. AGI-RRE Participations 1 Srl
3. Romfelt Real Estate S.A.
4. AGI-RRE Zeus Srl
5. AGI-RRE Poseidon Srl
6. AGI-RRE Hera Srl
7. AGI-RRE Cleopatra Srl
8. AGI-RRE Hermes Srl
9. SC Cordia Residence Srl
10. SC Carmel Residential Srl
11. Asmita Gardens Srl
12. Ashtrom Residents Srl
13. Cubic Center Development S.A.
14. TH Top Hotels Srl
15. Vic City Srl

**Serbia**

Turnover in Serbia as at 31.12.2018 amounted to € (97), results before tax amounted to losses of € (4,887) and the following companies were included:

<b>Real estate and hotel</b>
1. AGI-SRE Participations 1 DOO

**Albania**

Turnover in Albania on 31.12.2018 amounted to € 18,237, results before tax amounted to losses € (5,077), debit tax on results amounted to € (545) , the number of employees was 419 and the following companies were included:

<b>Banks</b>
1. Alpha Bank Albania SH.A.





## Bulgaria

Turnover in Bulgaria on 31.12.2018 amounted to € 2,082, results before tax amounted to losses € (4,140), and the following companies were included:

<b>Real estate and hotel</b>
1. Alpha Real Estate Bulgaria E.O.O.D.
2. Chardash Trading E.O.O.D.
3. AGI-BRE Participations 2 E.O.O.D.
4. AGI-BRE Participations 2BG E.O.O.D.
5. AGI-BRE Participations 3 E.O.O.D.
6. AGI-BRE Participations 4 E.O.O.D.
7. HT-1 E.O.O.D.
8. AGI-BRE Participations 5 E.O.O.D.
9. Kestrel Enterprise E.O.O.D.
10. House Properties Investments E.O.O.D.
11. Residence Properties Investments E.O.O.D.
12. Beroe Real Estate E.O.O.D.

## Jersey

Turnover in Jersey on 31.12.2018 amounted to € (1) and the results before tax amounted to losses € (136).

<b>Special purpose and holding entities</b>
1. Alpha Group Jersey Ltd

## Ireland

On 31.12.2018, turnover in Ireland amounted to € 12,403 and results before tax amounted to losses € (399).

<b>Special purpose and holding entities</b>
1. Alpha Proodos DAC

Neither the Bank nor the Group companies have received any public subsidies. According to article 82 of Law 4261/5.5.2014 with which incorporated into Greek legislation the article 90 of Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 is established the requirement to disclose the total return on assets.

The overall performance of the assets of the Group\* for the year of 2018 amounted to 0.09% (31.12.2017: 0.03%).

\* In accordance with the guidance of European Securities and Markets Authority (ESMA), the definition and the detailed calculation of the ratio is included in the appendix of the Annual Financial Statements.



## 42. Operating segments

### a. Analysis by operating segment

(In millions of Euro)

1.1 - 31.12.2018							
	Retail	Corporate Banking	Asset Management / Insurance	Investment Banking / Treasury	South-Eastern Europe	Other / Elimination Center	Group
Net interest income	847.2	597.4	8.1	121.2	199.2	(17.1)	1,756.0
Net fee and commission income	111.2	139.0	44.0	12.1	28.9		335.2
Other income	29.3	(26.7)	3.2	502.1	5.1	(0.6)	512.4
<b>Total income</b>	<b>987.7</b>	<b>709.7</b>	<b>55.3</b>	<b>635.4</b>	<b>233.2</b>	<b>(17.7)</b>	<b>2,603.6</b>
<b>Total expenses</b>	<b>(640.6)</b>	<b>(183.0)</b>	<b>(33.4)</b>	<b>(30.3)</b>	<b>(193.9)</b>	<b>(81.2)</b>	<b>(1,162.4)</b>
Impairment losses and provisions to cover credit risk	(1,057.0)	(450.4)	1.9	(3.2)	(221.8)	(0.1)	(1,730.6)
<b>Profit/(losses) before income tax</b>	<b>(709.9)</b>	<b>76.3</b>	<b>23.8</b>	<b>601.9</b>	<b>(182.5)</b>	<b>(99.0)</b>	<b>(289.4)</b>
Income tax							342.3
<b>Profit/(losses) after income tax</b>							<b>52.9</b>
Assets 31.12.2018	22,108.0	14,438.0	434.9	9,979.2	7,950.5	6,096.2	61,006.7
Liabilities 31.12.2018	24,976.2	7,647.5	2,160.1	11,783.6	6,097.7	198.7	52,863.6
Capital expenditure	93.4	39.6	2.6	8.4	13.7	16.4	174.1
Depreciation and Amortization	(57.8)	(23.5)	(2.3)	(3.1)	(9.8)	(5.5)	(102.0)

Losses before income tax of the “Other/Elimination Centre” operating segment, amounting to € 99 million, include eliminations between operating segments amounting to € 19 million and unallocated figures amounting to € 80 million. These unallocated figures refer to a) non-recurring items that do not relate to a specific operating segment and therefore cannot be allocated and b) results from activities that do not represent reportable operating segments.

(In millions of Euro)

1.1 - 31.12.2017							
	Retail	Corporate Banking	Asset Management / Insurance	Investment Banking / Treasury	South-Eastern Europe	Other / Elimination Center	Group
Net interest income	953.2	633.8	12.2	107.5	232.5	3.4	1,942.6
Net fee and commission income	108.2	125.9	44.5	19.0	25.7	0.2	323.5
Other income	8.4	(22.3)	2.3	139.0	19.7	50.4	197.5
<b>Total income</b>	<b>1,069.8</b>	<b>737.4</b>	<b>59.0</b>	<b>265.5</b>	<b>277.9</b>	<b>54.0</b>	<b>2,463.6</b>
<b>Total expenses (excluding provision for separation schemes)</b>	<b>(670.0)</b>	<b>(174.5)</b>	<b>(31.1)</b>	<b>(29.9)</b>	<b>(187.9)</b>	<b>(106.9)</b>	<b>(1,200.3)</b>
Impairment losses and provisions to cover credit risk	(886.5)	62.2			(181.1)		(1,005.4)
Provision for separation scheme	-	-				(92.7)	(92.7)
<b>Profit/(losses) before income tax</b>	<b>(486.7)</b>	<b>625.1</b>	<b>27.9</b>	<b>235.6</b>	<b>(91.1)</b>	<b>(145.6)</b>	<b>165.2</b>
Income tax							(75.6)
<b>Profit/(losses) after income tax from continuing operations</b>							<b>89.6</b>
Profit/(losses) from discontinued operations						(68.5)	(68.5)
<b>Profit/(losses) after income tax</b>							<b>21.1</b>
Assets 31.12.2017	23,996.6	15,411.8	410.7	7,892.2	8,141.4	4,955.2	60,807.8
Liabilities 31.12.2017	23,423.3	5,825.8	1,968.0	13,906.4	5,849.8	207.7	51,181.1
Capital expenditure	58.0	36.3	5.3	17.4	11.8	16.8	145.6
Depreciation and Amortization	(54.5)	(22.5)	(2.3)	(2.4)	(9.4)	(8.6)	(99.7)

Losses before income tax of the “Other/Elimination Centre” operating segment, amounting to € 145.6 million, include revenues from eliminations between operating segments amounting to € 1.6 million and unallocated expenses amounting to € 147.2 million. These unallocated figures refer to a) non-recurring items that do not relate to a specific operating segment and therefore cannot be allocated and b) results from activities that do not represent reportable operating segments.

**i. Retail Banking**

It includes all individuals (retail banking customers), professionals, small and very small companies operating in Greece and on abroad, except from South-Eastern Europe countries.

The Group, through its extended branch network, offers all types of deposit products (deposits/ savings accounts, working capital/ current accounts, investment facilities/ term deposits, Repos, Swaps), loan facilities (mortgages, consumer, corporate loans, letters of guarantee) and debit and credit cards of the above customers.

**ii. Corporate Banking**

It includes all medium-sized and large companies, with international activities, corporations with international business activities, enterprises which cooperate with the Corporate Banking Division, as well as shipping corporations operating in Greece and on abroad except for South Eastern European countries. The Group offers working capital facilities, corporate loans, and letters of guarantee of the abovementioned corporations. This sector also includes leasing products which are provided by Alpha Leasing A.E. as well as factoring services which are provided by the subsidiary company ABC Factors A.E.

**iii. Asset Management/Insurance**

It consists of a wide range of asset management services offered through Group's private banking units and its subsidiary, Alpha Asset Management A.E.D.A.K. In addition, it includes income received from the sale of a wide range of insurance products to individuals and companies through either AXA insurance, which is the corporate successor of the subsidiary Alpha Insurance A.E. or the subsidiary Alphalife A.A.E.Z.

**iv. Investment Banking/Treasury**

It includes stock exchange, advisory and brokerage services related to capital markets, and also investment banking facilities, which are offered either by the Bank or specialized subsidiaries (Alpha Finance A.E.P.E.Y., Alpha Ventures S.A.). It also includes the activities of the Dealing Room in the interbank market (FX Swaps, Bonds, Futures, IRS, Interbank placements Loans etc.).

**v. South-Eastern Europe**

It consists of the Group's subsidiaries, which operate in South Eastern Europe. It is noted that Alpha Bank Srbija A.D., is not included anymore in the results of the continuing activities in this sector. Its financial result is included in caption "Profit/Loss from discontinued operations".

**vi. Other / Elimination Center**

This segment includes the non-financial activities of the Bank, as well as unallocated / one-off income and expenses and intersegment transactions.

The assets of the operating segments "Retail" and "Corporate Banking" include the following figures of the Bank's loans and the companies ABC Factors A.E. and Alpha Leasing A.E., which are being managed by the non performing loans retail and wholesale banking units, based on Bank's internal procedures.

	31.12.2018			31.12.2017		
	Balance before impairment	Accumulated impairments	Balance after impairment	Balance before impairment	Accumulated impairments	Balance after impairment
Mortgages	7,600,991	2,263,042	5,337,949	7,753,680	2,518,418	5,235,262
Consumer Loans	3,118,862	1,727,983	1,390,879	3,634,517	1,678,567	1,955,950
Corporate Loans	10,387,296	5,351,417	5,035,879	12,511,587	5,907,700	6,603,887
<b>Total</b>	<b>21,107,149</b>	<b>9,342,442</b>	<b>11,764,707</b>	<b>23,899,784</b>	<b>10,104,685</b>	<b>13,795,099</b>

**b. Analysis by geographical sector**

(in millions of Euro)

	1.1 - 31.12.2018		
	Greece	Other countries	Total
Net interest income	1,538.3	217.7	1,756.0
Net fee and commission income	302.1	33.1	335.2
Other income	507.3	5.1	512.4
<b>Total income</b>	<b>2,347.7</b>	<b>255.9</b>	<b>2,603.6</b>
<b>Total expenses</b>	<b>(949.3)</b>	<b>(213.1)</b>	<b>(1,162.4)</b>
Impairment losses and provisions to cover credit risk	(1,508.8)	(221.8)	(1,730.6)
<b>Profit/(losses) before income tax</b>	<b>(110.4)</b>	<b>(179.0)</b>	<b>(289.4)</b>
Income tax			342.3
<b>Profit/(losses) after income tax</b>			<b>52.9</b>
Assets 31.12.2018	52,713.0	8,293.7	61,006.7

(in millions of Euro)

	1.1 - 31.12.2017		
	Greece	Other countries	Total
Net interest income	1,694.4	248.2	1,942.6
Net fee and commission income	291.9	31.6	323.5
Other income	175.5	22.0	197.5
<b>Total income</b>	<b>2,161.9</b>	<b>301.7</b>	<b>2,463.6</b>
<b>Total expenses (excluding provision for separation scheme)</b>	<b>(1,087.3)</b>	<b>(113.0)</b>	<b>(1,200.3)</b>
Impairment losses and provisions to cover credit risk	(824.3)	(181.1)	(1,005.4)
Provision for separation scheme		(92.7)	(92.7)
<b>Profit/(losses) before income tax</b>	<b>250.3</b>	<b>(85.2)</b>	<b>165.1</b>
Income tax			(75.6)
<b>Profit/(losses) after income tax from continuing operations</b>	<b>250.3</b>	<b>(85.2)</b>	<b>89.5</b>
Profit/(losses) from discontinued operations	-	(68.5)	(68.5)
<b>Profit/(losses) after income tax</b>			<b>21.0</b>
Assets 31.12.2017	52,461.6	8,346.2	60,807.8

**43. Risk Management**

The Group has established a thorough and prudent risk management framework which is being built on best supervisory practices which, based on the common European legislation and banking system rules, principles and standards is evolved over time in order to be implemented in a coherent and effective manner on the Bank's and Group's companies conduct of the day-to-day business to ensure the effectiveness of the corporate governance of the Group entities.

The Group's critical focus in 2018 was to maintain high standards in corporate governance and compliance with regulatory risk rules and retain confidence in the conduct of its business activities through sound and robust provision of financial services.

**43.1 Credit Risk Management****RISK MANAGEMENT ORGANIZATION****Board of Directors (BoD)**

The Board of Directors supervises the overall operations of the Risk Management Unit. Regarding Risk Management, the Board of Directors has established a Risk Management Committee (RMC), which convenes on a monthly basis and reports to the BoD. The



RMC recommends to the BoD risk undertaking and capital management strategy, checks its implementation and evaluates its effectiveness.

The risk management framework and its effectiveness are re-assessed on a regular basis in order to ensure compliance with International best practices.

For a more comprehensive and effective identification and monitoring of all risk types, Management Committees have been established (Assets and Liabilities Committee, Operational Risk Committee and Credit Risk Committee).

### **Risk Management Committee**

The General Manager and Group Chief Risk Officer supervise the Risk Management Unit of the Group and report on a regular basis and ad hoc to the Management Committees, the Risk Management Committee and to the Board of Directors. As far as credit risk is concerned the reporting to the above-mentioned committees covers the following areas:

- The risk profile of portfolios by rating grade.
- The transition among rating grades (migration matrix).
- The estimation of the relevant risk parameters by rating grade, group of clients, etc.
- The trends of basic rating criteria.
- The changes in the rating process, in the criteria or in each specific parameter.
- The concentration risk (by risk type, sector, country, collateral etc.).
- The evolution of Gross Loans, +90 days past due loans, Non-Performing exposures and the monitoring KPIs per segment on a Group basis.
- The Cost of Risk.
- The transition of exposures from Stage 2 to 1 per asset class (IFRS 9).
- The maximum risk appetite per country, sector, currency, business Units, limit breaches and mitigation plans.

### **Organizational Structure of Risk Management Divisions**

In the Group, under the supervision of the General Manager and Group Chief Risk Officer, the following Risk Management Divisions operate within the Group and have been assigned with the responsibility of implementing the risk management framework, according to the principles of the RMC.

- Credit Control Division
  - Credit Risk Policy and Control Division
  - Credit Risk Methodologies Division
  - Credit Risk Cost Assessment Division
- Credit Risk Data and Analysis Division
  - Credit Risk Data Management Division
  - Credit Risk Analysis Division
- Market and Operational Risk Division
- Risk Models Validation Division
- Wholesale Credit Division
- Wholesale Credit Workout Division
- Retail Credit Division

For credit risk management purposes, facilities are separated into Wholesale and Retail.



## WHOLESALE BANKING CREDIT FACILITIES

Wholesale Banking credit facilities are included in each of the following categories subject to the characteristics of the credit facility and the obligor, as shown in the table below:

	Portfolio	Characteristics
Obligors under the competence of Wholesale Banking	Corporate	Companies with turnover > Euro 75 million Includes financing in shipping companies, as well as, obligors under the management of the Investment Banking Division
	SME	Euro 2.5 million < Companies with turnover < Euro 75 million or companies with credit limit > Euro 1 million

### 1. Credit Risk Approval Process

The limits of the Wholesale Banking Credit Committees are determined in accordance to Total Credit Exposure, defined as the sum of all credit facilities of the obligor (single company or group of associated companies) which can be approved by the Group and include the following:

- Total credit requested exposure
- Working Capital limits
- Withdrawal limits from unclear deposits
- Letters of Credit/Letters of Guarantee limits
- Factoring limits
- Derivative transaction limits
- Corporate Cards limits
- Medium and long-term loans (current outstanding/exposure for facilities that have been fully drawn or limit amount of undrawn facilities).
- Leasing Facilities (current outstanding/exposure for leasing facilities that have been fully drawn or limit amount for undrawn/unused facilities).
- Special credit limits or loans, or any form of personal financing to the company's business owners (mortgage loans, consumer loans, shares' purchase, credit cards etc.).

### Wholesale Banking Credit Committees

#### Credit Committees Structure:

- Wholesale Banking Credit Committee I (General Management)
- Wholesale Banking Credit Committee II (General Managers)
- Wholesale Banking Credit Committee III (Divisions Managers)
- Wholesale Banking Credit Committee IV (Division Assistant Managers)
- Wholesale Banking Credit Committee V (Hospitality and Island Enterprises Division and Commercial Centers)

#### Credit Limit Expiry/Renewal date:

The credit limits' expiry/renewal date is determined by the relevant Wholesale Banking Credit Committees. The basic factor for the determination of the credit limit expiry is the client's credit rating, which is not a standalone approval or rejection criterion, but the basis for determining the minimum security/collateral required and the respective pricing. As a rule, for obligors that have been rated in the Low, Medium and Acceptable credit risk zones, reviews are carried out on an **annual basis**, for Watch List clients, on a **semi-annual basis** while obligors that have been rated in the High Risk zone are reviewed on a **quarterly basis**. Deviations from the above rule are not allowed, except when the request by the responsible Business Units is approved by the competent Credit Committees.



## 2. Credit Risk Measurement and Internal Ratings

The assessment of the borrower's creditworthiness and their rating in credit risk scales is established through rating systems.

The rating of the Group's borrowers with the use of credit risk rating systems constitutes a basic tool for:

- The decision-making process of Credit Committees for the approval/ renewal of credit limits and the implementation of the appropriate pricing policy (interest rate spreads etc.).
- The estimation of the future behavior of borrowers which belong to a group with similar characteristics.
- The early recognition of potential troubled facilities (early alert mechanism) and the prompt, effective action for the minimization of the expected loss for the Group.
- The assessment of the quality of the Group's loan portfolio and the credit risk undertaken.

The aim of the credit risk rating systems is the estimation of the probability that the borrowers will not meet their contractual obligations to the Group as well as the Expected Credit Loss estimation.

The rating systems employed by the Group are the Alpha Bank Rating System (ABRS) and Risk Analyst (RA) which incorporate different credit rating models.

All current and future clients of the Group are assessed based on the appropriate credit risk rating model and within pre-specified time frames.

For the estimation of the probability of default of the obligors of the Group the credit risk rating models evaluate a series of parameters, which can be grouped as follows:

- Financial Analysis: obligor's Financial Ability (liquidity ratios, debt to income, etc.)
- Peers' Analysis: obligor's comparative position in the market in which it operates mostly compared to its peers.
- Behavioral status and history of the obligor with the Group and with third parties (debt in arrears, adverse transaction records, etc.)
- Obligor's qualitative characteristics (solid and healthy administration, management succession, appropriate infrastructure and equipment etc.).

The credit rating models which are currently employed by the Group are differentiated according to:

- The turnover of the company.
- The level of the total credit risk exposure.
- The credit facility's specific characteristics.
- The available information for the obligor's assessment. Specifically, for the financial analysis the differentiation relates to the type of the local accounting standards and the International Financial Reporting Standards.

For each of the credit rating models, different parameters may be used, each of which contributes in a specific manner the relevant assessment.

The statistical validation of the credit risk rating models is reviewed regularly in order to ensure the maximum predictive ability according to the best international practices and regulatory framework for credit risk management.

### Obligors Rating Scale

Borrowers are rated in the following rating scales:

**AA, A+, A, A-, BB+, BB, BB-, B+, B, B-, CC+, CC, CC-, C, D, DO, D1, D2**

For special purpose finance (Structured and Shipping Financing) special models have been designed (slotting) with the following categorization scale:

**Strong (Class 1), Good (Class 2), Satisfactory (Class 3), Weak (Class 4), Default (Category 5).**

For presentation purposes of table "Loans by credit quality and IFRS9 Stage", the "strong" rating includes the rating scales AA, A+, A, A-, BB+ and BB and Categories 1 and 2, "satisfactory" rating includes the rating scales BB-, B+, B, B-, CC+, CC and Category 3, and "under close monitoring" (higher risk) includes the rating scales CC-, C and Category 4. Last, default category, includes the rating scales D, DO, D1, D2 and category 5.



## RETAIL BANKING PORTFOLIO

Retail banking involves the lending facilities offered from the Group to borrowers covering traditional banking products and services such as:

- Housing loans/Mortgages
- Consumer Loans and Credit Cards
- Small companies and small business (SB): Legal entities with turnover up to Euro 2.5 million and credit limit up to Euro 1 million.

### 1. Credit Risk Approval Process

The Group monitors customer Total Credit Risk Exposure (For Individuals and Small Businesses), which refers to the sum of all revolving limits of an obligor, all the balances of long term facilities and for the case of small businesses the total exposure of facilities given to stakeholders of customer companies. Additionally, facilities for which the customer is guarantor or co-debtor are also taken into account.

The Group has developed and implemented a strict framework for the conduct of credit policy (legislative and supervisory / regulatory) and has also formulated and put into effect an internal system of credit principles, procedures and rules clearly applicable to the Group's lending business, in order to promote sound practices for managing credit risk.

Credit policies establish the framework for lending and guide the credit-granting activities of Retail Banking through:

- Sound lending management.
- Prudent client selection through in-depth assessment of both financial and qualitative data of the borrower
- Assessing the risk/reward relationship with a respective determination of pricing policy and collateral coverage after taking into account the level of credit risk.
- Monitoring and management of the total credit risk, i.e. the consolidated risk from any type of credit facility granted by the Alpha Bank Group.

The enforcement of the Credit Policy requires certain criteria to be met. These criteria play a significant role in the achievement and maintenance of a healthy portfolio and in the Group's Capital allocation. In particular:

#### Individuals

The approval process of credit to individuals (being individual with earnings from salaries, pensions or other sources of income not related with business activities) is performed on the basis of the classification of borrowers into risk groups (risk groups), which represent a certain level of undertaken risk. The level of risk undertaken by the Group is adjusted, when deemed necessary, according to its credit policy.

The credit assessment for individuals is based upon the following pillars:

- Application fraud detection;
- Willingness to pay;
- Ability to pay;
- Collateral risk.

#### Small Businesses

Small Business are defined as following:

- Personal Companies with turnover up to €2.5 million and a credit limit up to €1 million
- Entrepreneurs with a credit limit up to €1 million
- Legal entities with turnover up to €2.5 million and a credit limit up to €1 million.

The creditworthiness of Small Businesses in the Retail Banking sector is related to the creditworthiness of agencies/competent of the company and vice versa. Therefore, the evaluation of claims in this category is based on two dimensions:

- The valuation of the creditworthiness of entities or business managers.





- The valuation of the creditworthiness of the company.

The creditworthiness of a company's stakeholders or managers is based on the specific pillars:

- Willingness to pay.
- Ability to pay.

Hence, the credit assessment for the small businesses is based on the following:

- Application fraud detection;
- Demographics;
- Financials;
- Behavior;
- Credit Bureau;
- Qualitative data; and
- Collateral risk.

## 2. Internal Ratings

The fundamental parameter in assessing Retail Banking Credit Risk is the Credit Scoring Models that are developed and employed throughout the credit cycle at the Group level. The above models segments populations into homogenous risk groups (pools) and are categorized as follows:

- Behavior Models, which assess the customer's performance and predict the probability of defaulting within the following months;
- Application Credit Scoring Models, which assess application data—mainly demographic- that predict the probability of defaulting within the following months; and
- Models for the assessment of regulatory parameters. It is noted that during 2018, the Bank's and Group's companies credit risk assessment models were in line with International Financial Reporting Standard 9 (IFRS 9).

These models and the probabilities of default that derive from them, contribute a significant role in risk management and decision making throughout the Group.

Specifically, the models are used in the following segments:

- Decision making of credit assessment and credit limit assignment.
- Impairment tests
- Predicting future performance of customers belonging to the same pool of common characteristics.
- Tracing high risk accounts in time to schedule all necessary actions so as to reduce expected losses for the Group.
- Assessing the Group's portfolio quality and credit risk.

The parameters taken into account vary, according to the model's type and product category that it assesses. Indicatively, some factors are:

- Personal/demographic data: the customer's age, profession, marital status, or current address;
- Loan characteristics: product applied for, loan term, loan amount, or financing purpose;
- Behavioral data: payments during latest period of time, maximum delinquency, outstanding loan balance versus loan limit, transaction type;
- Financial data: sales change, liabilities versus sales; and
- Qualitative data: experience, seat of business (company registry).

Models are reviewed, validated and updated on a yearly basis and are subject to quality control so as to ensure at their predictive power at any point in time.

Furthermore, on a regular basis the Group conducts exercises simulating crisis situations (Stress Tests), which explore the potential



impact on the financial results of the Group due to unfavorable developments both in obligors' transactional behavior as well as in the broader financial macroeconomic environment.

For presentation purposes of table "Loans by credit quality and IFRS 9 Stage", the classification in "Strong", "Satisfactory" and "Watchlist" categories, for Retail Banking loans is based on the twelve-month Probability of Default. The range of probabilities that determines this classification, has derived from an analysis aiming at optimizing discriminatory power between categories; therefore ranges might differ for each category as presented below:

Rating Classification	Range of probability of default			
	Mortgages	Consumer	Credit cards	Small Business
Strong	up to 3%	up to 2.8%	up to 3.8%	up to 4.7%
Satisfactory	from 3% up to 16.5%	from 2.8% up to 16%	from 3.8% up to 16%	from 4.7% up to 17%
Watchlist	over 16.5%	over 16%	over 16%	over 17%

## CREDIT CONTROL

According to the risk management and control framework, there are three "lines of defence" with distinctly allocated roles and responsibilities and specifically the Business and Operations Units (first "Line of Defence"), the Risk Management Units (second "Line of Defence") and the Internal Audit Unit (third "Line of Defence").

In the context of the second line of defence operation and within the single context of operations set out for the sectors of Retail Banking, Wholesale Banking and Private and Investment Banking, credit controls are carried out in order to optimise Credit Risk management, to assess the quality of the loan portfolio and to ensure that the first "line of defence" operates within the framework set out for effective Credit Risk management.

This second line of defence is independent and aims, among else, to:

- Design and develop procedures and controls for credit risk management.
- Monitor the adequacy and effectiveness of existing credit risk management procedures.
- Highlight critical issues and deviations from the Group's Manuals and Policies.
- Provide guidelines and instructions concerning the credit risk management and control procedures.
- Provide information to concerned Units about the findings of the controls and recommendations made.

Risk Models Validation Division was established, with the perspective to reinforce Group's Second "line of defence". Risk Models Validation Division under the supervision of CRO is responsible for the statistical validation of the Group's risk models, ensuring their robustness and reliability. In particular, it undertakes the validation of the models used for the measurement and evaluation of the Group's credit risk, market risk and operational risk, in accordance with the supervisory framework and best practices.

## CREDIT RISK MITIGATION

### Collaterals

Collaterals are received both for Wholesale and Retail lending in order to mitigate credit risk that may arise from the obligor's inability to fulfill his contractual obligations.

Collaterals include all kind of assets and rights which are made available to the Group either by their debtors or by third parties, in order to be used as complementary liquidity sources of relative loans.

The mitigation tools applied by the Group include two broad categories: intangible and tangible collaterals.

### 1. Intangible Collaterals

Intangible collaterals form the framework of the obligations and rights that are typically included and described in specific contractual documents that bind the Group and the borrowers during the lending process with specific commitments. The



commitments involve a third party who substitutes for the primary debtor in the event of the latter's default or the primary debtor itself (natural or legal entities) to honor the contractual loan agreements and their prompt repayment to the Group and on the other hand the Group has the right to claim them.

The main type of intangible collateral that the Group uses to protect the bank against the risk of losses due to debtor insolvency is the Guarantee.

## 2. Tangible Collaterals

Tangible collaterals provide the Group with the rights over an asset (movable or immovable), owned by the obligor or the guarantor, providing priority in the satisfaction of the creditor by the liquidation proceeds of the asset.

Tangible collaterals are distinguished between mortgages and prenotation on mortgages which are registered over immovable properties and pledges on movable assets (e.g., commodities, checks, bills of exchange) or on claims and rights.

In order to better secure credit facilities granted, all mortgage and pledged assets are covered by an insurance contract, with assignment of the relevant insurance contract to the Group.

### 2.1. Mortgages - Prenotation on Mortgages

Mortgages are registered on real estate or immovable assets which can be liquidated as indicatively reported below:

- Residential Real Estate;
- Commercial Real Estate;
- Industrial Buildings;
- Land;
- Mines;
- Ships and aircrafts;
- Machinery or other facilities (engineering, mechanical, electrical, etc.), if they are permanently and consistently connected with the mortgaged estate.

#### Methods and Frequency of real estate property valuations

According to the Group's Credit Policy, the existence and the valuation of mortgaged property are closely monitored. The property revaluations should be carried out per year for all property types, except for cases where contract foresees something else, in cases of perceptible changes on the property or in the business process, or they are planning changes or other factors.

The initial valuations of real estate property, offered as collateral, are made when the appraiser visits the location and carries out an internal inspection.

The property revaluations, which are collaterals to performing exposures, are carried out by the Group Company Alpha Astika Akinita S.A. via:

- The price statistical index PropIndex, regardless of the amount of the exposure for the Residential Properties.
- The price statistical index for certain categories of commercial property (CRE) that has been developed by Alpha Astika Akinita S.A. taking into account indices published by Bank of Greece, used as collateral on performing exposures of amount (on-balance sheet exposures plus off-balance sheet exposures such as Letters of Guarantee and Letters of Credit) up to Euro 1 million.
- The authorised engineers of the Company, after their visit to the professional property used as collateral or by desktop valuation, if the statistical index, does not cover either the type of business property or the amount of exposure exceeds Euro 1 million.

The revaluations for property used as collateral to non-performing exposures, are carried out by the Group Company Alpha Astika Akinita S.A. via:

- The price statistical index PropIndex, for Residential Properties and for non-performing exposures up to Euro 300 thousand.
- The price statistical index for certain categories of commercial property (CRE) that has been developed by Alpha Astika



Akinita S.A. taking into account indices published by Bank of Greece, used as collateral for performing exposure of amount up to Euro 300 thousand

- The authorised engineers of the Company, after their visit to the property serving as collateral or by desktop valuation, provided that either the amount of non-performing exposure that cover the property under valuation exceeds the amount of Euro 300 thousand or in the cases where the indices do not cover the type of the property under revaluation.

The Group in the context of the credit control process performs, at least annually and through proper sampling, audits for the procedures of implementation of the Group's Loan Collateral Policy, audits for the verification of property valuations, both of those based on indices and those based on individual assessments and controls in order to assure the proper register of the values in the Group's core systems according to the values mentioned in the relevant approvals.

## 2.2. Pledges

Pledges provide seniority rights over liquidation proceeds from a movable third party asset.

Pledges can be registered on movable assets or on rights that have not been excluded or banned from exchanges and are liquid , including:

- Raw materials, products or commodities;
- Machinery (movable);
- Bill of Lading;
- Bill of exchange;
- Cheques;
- Securities;
- Deposit; and
- Any type of claim that can be pledged

## Frequency of pledges revaluation

Depending on the right or the underlying asset on which a pledge is registered, the periodic revaluation varies from one month to one year.

## 3. Acceptable Value

The Group calculates the value of the securities/collaterals received based on the potential proceeds that could arise if and when these are liquidated. This calculation refers to the acceptable value/haircut of the securities/collaterals provided to the Group by its obligors for the determination of which the quality of assets as well as their market value are taken into account.

In this way, the guaranteed values are determined for each type of collateral, which are expressed as a percentage of their market value, nominal or weighted value, depending on the type of collateral.

## EARLY WARNING SYSTEM

In order to optimise the management of Lending and, in particular, limit the loans whose status changes from Performing Loans (PLs) to Non-Performing Loans (NPLs), due to the debtor's negligence or financial difficulty of a temporary or permanent nature, the Group has developed the Credit Risk Early Warning System, which is defined as the aggregation of actions, processes and reports required to ensure the early identification of events (Early Warning Alerts), at borrower and portfolio level, which may possibly lead to either an increase in NPLs or an increase in exposures with significant increase in credit risk, as well as the relevant Actions that must be taken in order to manage the borrowers concerned.

The implementation perimeter of the Credit Risk Early Warning System encompasses all performing exposures ,as well as exposures past due for up to 30 days which have not been forborne.

The effectiveness of the Credit Risk Early Warning System is being monitored on a regular basis by three "lines of defence":

- The first "line of defence" consists of controls within the Units of the Group that participate in the process.



- The second “line of defence”, i.e. the Risk Management Unit, is responsible for ensuring on an ongoing basis and at least once per year, that the controls of the “first line of defence” are applied effectively, through the Credit Control Mechanism.
- The third “line of defence” is the internal audit function that carries out regular evaluations and proposes potential improvements.

### ENVIRONMENTAL AND SOCIAL RISK

Assessment of the strict compliance with the principles of an environmentally and socially responsible financing towards legal entities has been integrated within Credit Risk Management Framework and Credit Policy.

The main objective is the management of potential risk arising from the operations of obligors of the Group that may be connected with a damage to the environment or the society or with any direct threat of such a damage, having as a result a negative impact on the business operations and financial results of the Group.

### CREDIT RISK CONCENTRATION MANAGEMENT

Concentration Risk is a specific form of credit risk and arises due to the low degree of diversification between counterparties, products or group of counterparties, sectors, geographic regions, or collaterals.

The Group monitors on a regular basis concentration risk through detail reporting which informs senior management and the Board of Directors. According to the supervisory framework, the Group complies with the regulatory directives regarding large exposures, while the capital requirements for single name and sector concentration risks are estimated in the context of Pillar 2 of Basel II.

### DEFINITIONS:

The following definitions are provided as guidance to tables that follow:

#### Public Sector

The Public Sector includes:

- The Greek Central Government (all departments or Ministries and Public Administration);
- Local Authorities;
- Companies controlled and fully or partially owned by the State; and
- Companies associated with the State
- Legal Entities controlled by politically exposed persons

#### Past Due Exposures

An Exposure is past due if the counterparty's exposure is, materially, more than one day past due (sum of the principal, interests and charges/commissions due more than one day at an account level).

#### Non-Performing Exposures

An exposure is considered as Non-Performing when at least one or more events have occurred that adversely affect the expected cash flows. Indicative events that satisfy the classification of an exposure as Non -Performing are the following:

- The exposure is more than 90 days past due (NPL): The amount due exceeds € 100 for Retail Exposures or € 500 for Wholesale Exposures and the amount due exceeds 1% of the total on balance sheet exposures. In particular, for overdraft facilities, an exposure is past due after having exceeded its approved limit.
- Legal actions have been undertaken by the Bank -Legal (NPL).
- The exposure is classified as Forborne Non-Performing Exposure (FNPL)
- It is assessed as Unlikely to Pay (UTP).

When a Wholesale Banking borrower has an exposure that is more than 90 days past due and the amount of this exposure exceeds 20% of total exposures of the borrower, then all exposures of the borrower are considered as non-performing (Pulling Effect).



### Performing Exposures

An exposure is considered as performing when the following criteria are met:

- The exposure is less than 90 days past due;
- No legal actions have been undertaken against the exposure;
- No unlikeliness to pay is reported on its credit obligation;
- The exposure is not classified as impaired;

or

- The exposure is classified as forborne performing exposure, as defined in the aforementioned Implementing Regulation (EU) 2015/227 of 9 January 2015.

### Unlikeliness to Pay

An exposure is flagged as 'Unlikely To Pay' (UTP) when it is less than 90 days past due and the Group assesses that the borrower is unlikely to fully meet his credit obligations without the liquidation of collateral, regardless the existence of any past due amount or the number of days past due, with the exception of collaterals that are part of the production and trade chain of the borrower (e.g. properties for Real Estate companies, corporate shares for Holding companies).

For Wholesale Banking, the procedure is the following:

(a) Identification of events which when occur lead to the transfer of the exposure to Non-Performing status without requiring an assessment by any Credit Committee (Hard UTP Triggers),

(b) Identification of triggers which when occur, lead to borrower's credit assessment by the relevant Wholesale Banking Credit Committee in order to determine whether borrower's exposures should be classified as Non-Performing or not (Soft UTP Triggers).

This assessment takes place when reviewing borrower's credit limits depending on its credit ratings and in accordance with Wholesale Banking Credit Manual. If a borrower is flagged as UTP, then his credit risk rating should be D (Default) according to Bank's rating system or Slotting category 5 (default) for Borrowers assessed using Slotting Models. If a borrower flagged as UTP belongs to a group of companies, then the group should also be assessed by the competent Credit Committee for the existence or not of UTP trigger.

For Wholesale Banking exposures the following Hard UTP Triggers exist:

- Denouncement of loan agreement
- Liquidation of collaterals and initiation of foreclosure measures by the Bank when the borrower does not have operational cash flows for the repayment of his debt obligations (excluding e.g. checks).
- Legal actions, sale or judicial sale in order to collect the claim (e.g. foreclosure instead of debt collection).
- Withdrawal of a license of particular importance in companies that require public authorisation to carry out their activities such as banks and insurance companies. The same applies for technical and construction companies, telecommunications companies, pharmaceutical, mining, transport, food, chemical, petroleum, recycle, media etc.
- Refinancing/Extensions of loans whose lifetime exceeds the economic lifetime of the funded investment.
- There are strong indications that the borrower is unable to meet his debt obligations (e.g. termination of business).
- Fraud cases
- Excess of the minimum acceptable Loan to Value (LTV), as depicted contractually, for loans collateralised with securities, e.g. bonds, shares etc (Margin Financing).
- Disappearance of an active market for the debtor's financial instruments, hold by the Group.
- Write-off because of default
- Debt Forgiveness with or without forbearance (conditional or not) at least for the first 12 months since the debt forgiveness.
- The credit institution or the leader of consortium starts bankruptcy/insolvency proceedings (application for insolvency).
- A credit event is declared under the International Swaps and Derivatives Association - ISDA).



- Out-of-court settlement/negotiation between Banks and Borrower for settlement / debt repayment of borrowers that are under bankruptcy proceedings (application for the bankruptcy).
- The borrower has requested to enter into bankruptcy or insolvency status (application for bankruptcy).
- A Bank has initiated bankruptcy or insolvency proceedings (application for bankruptcy).

Additionally, for Wholesale Banking exposures the following Soft UTP Triggers exist:

- Exposures that were modified by providing a 'balloon' payment while the initial terms of the loan agreement did not include this repayment method, as well as exposures that the initial terms of the loan agreement included the 'balloon' payment and were modified by including an increase of the amount of "balloon" and simultaneously by reducing the current installment.
- Multiple modifications in the same exposure.
- Deterioration of the leverage ratio (Debt to Equity).
- An exposure was purchased or sold with deep discount that reflects the low credit quality of the borrower.
- The debt service coverage ratio indicates that debt is not viable.
- 5 Years Credit Default Swaps (CDS) above 1.000 bps in the last 12 months.
- Loss of an important customer or lessee representing of the turnover or the total property income, respectively.
- A turnover decrease resulting in a cash flows.
- An affiliated customer, representing decrease in turnover, has applied for bankruptcy.
- An external auditor report with restrictions or reservations that results to significant deterioration of key financial ratios of the borrower and to worsened estimated future cash flows of the borrower.
- It is expected that an exposure with repayment at maturity or a due installment cannot be refinanced under current market conditions.
- Disappearance of an active market for the debtor's financial instruments, not hold by the Bank.
- The borrower has exceeded the financial terms of the loan agreement.
- There is significant deterioration of the borrower's sector activity prospects.
- Adverse changes in the ownership structure or the management of the company or serious administrative problems.
- A third party (excluding Banks) has started bankruptcy or insolvency proceedings (application for Bankruptcy).
- Due payments to Tax Authorities and Social Security Funds.

For Retail Banking, the procedure is the following:

(a) Identification of events which when occur lead to the transfer of the exposure to Non-Performing status without requiring an assessment by any Credit Committee (Hard UTP Triggers),

(b) Identification of triggers which when occur, lead to borrower's credit assessment by the relevant Retail Banking Credit Committee in order to determine whether borrower's exposures should be classified as Non-Performing or not (Soft UTP Triggers). This assessment takes place at the date of a forbearance request. If an exposure is flagged as UTP, then it should be classified as Non-Performing in the systems of the Group's companies.

For Retail Banking exposures the following Hard UTP Triggers exist:

- A trial day is set for registration under Bankruptcy L.3869/2010
- Fraud has been confirmed at the expense of the Bank.
- The borrower has passed away.
- Multiple forbearances for the same exposure within a 12 months' time period.
- An out-of-court settlement / negotiation is underway between banks and borrower for settlement / repayment of debts of borrowers who are under bankruptcy proceedings (application for bankruptcy).
- Denouncement of loan agreement.



- Collaterals liquidation and foreclosure procedures have been initiated by the Bank when the borrower does not have operational cash flows to repay debt obligations (excluding e.g. checks).
- Legal actions, alienation or judicial sale in order to collect the debt have been initiated (e.g. foreclosure measures against debt collection).
- Debt Forgiveness with or without forbearance (conditional or not), at least for the first 12 months since the debt forgiveness.

Additionally, for Retail Banking exposures the following Soft UTP Triggers exist:

- Multiple forbearances in the same exposure
- The borrower has other exposures in the Bank in default.
- The borrower is unemployed.
- The borrower has applied for bankruptcy or insolvency (application for bankruptcy).
- The borrower is the sole owner of a company with exposures in default and for which he has provided personal guarantees.

### **Credit Impaired Exposures**

An exposure is considered as Credit Impaired when the criteria specified by the definition of Non-Performing Exposures are met.

### **Default Exposures**

An exposure is considered as Default when the criteria specified by the definition of Non-Performing Exposures are met.

### **Accumulated provision for impairment losses**

For credit risk reporting purposes, the accumulated provision for impairment losses (i.e. Expected Credit Losses) includes the accumulated allowance for impairment losses and the fair value adjustment for the contractual balance of loans which were impaired at their acquisition or originated (POCI) since the Group, from credit risk perspective, monitors the respective adjustment as part of the provisions. These loans were recognized either in the context of acquisition of specific loans or companies (i.e. Emporiki Bank and Citibank's retail operations in Greece), or as a result of significant modification of the terms of the previous loan that led to derecognition. Relevant adjustment has also been performed to the carrying amount of loans.

### **Collateral value**

The collateral's latest market value available. In the case of immovable properties, collateral value is considered the lower figure between the prenotation amount and the market value. Value of guarantees includes the value that exceeds the value of collateral. All collateral values are capped at 100% of the outstanding amount of the loan.

### **EXPECTED CREDIT LOSS ESTIMATION METHODOLOGY**

The Group, at each reporting date, recognizes a loss allowance for expected credit losses on loans and advances to customers not measured at fair value through profit or loss as well as for off-balance sheet exposures (letters of guarantee, letters of credit, undrawn loan commitments).

The Loan Impairment Methodology is common and applicable for both the Wholesale and Retail Banking Portfolios.

### **Default definition**

The Group has adopted as default definition non-performing exposures (NPE), as defined in the EBA Guidelines (GL/2016/07).

The definition of default is consistent with the one used for internal credit risk management purposes.

Furthermore, the definition of Non-Performing Exposures is consistently used to develop models for estimating credit risk parameters (Probability of Default, Loss Given Default, Exposure at Default).

### **Portfolio Classification in Stages based on the Credit Risk (Staging)**

Following an exposure's initial recognition, exposure is classified into stages based on its credit risk. The classification of loans in stages is based on the changes of the credit quality compared to its initial recognition.





Upon initial recognition of an exposure, the Group must determine whether this exposure is considered as credit impaired (Credit Impaired at Initial Recognition).

The POCl category (Purchased or Originated Credit Impaired, POCl) includes the following:

- Exposures that at the time of purchase (Purchased) meet the criteria of non-performing exposures.
- Exposures that as per accounting rules are derecognised and a new exposure is recognized and for which the following apply (Originated): if the exposure was classified as impaired (hence NPE) prior to derecognition, the new exposure will continue to maintain this classification and it will be classified as POCl.

For exposures not classified as POCl, the classification in stages is performed as follows:

- The Stage 1 includes performing credit exposures that have no significant increase in credit risk since the initial recognition date. The expected credit losses calculated are the 12 months losses from the date of the financial statements and the assessment is carried out on a collective basis with the exception of borrowers assessed on an individual basis
- The Stage 2 includes credit exposures with significant increase in credit risk since the initial recognition date but which are not non-performing. The expected credit losses calculated are the lifetime losses and the assessment is carried out on a collective basis with the exception of borrowers assessed on an individual basis
- The Stage 3 includes the non-performing / default exposures. The expected credit losses calculated are the lifetime losses and the assessment is performed on a collective or individual basis.

With regards to the POCl exposures, the expected credit losses calculated are the lifetime losses.

All possible movements between Stages of credit risk are presented below

- An exposure which has been classified in Stage 1 in previous quarter of reference could be classified either in Stage 1 in the next reporting quarter, if the credit risk has not deteriorated and the exposure is still performing, or in Stage 2, if the exposure is still performing but the credit risk has deteriorated, or in Stage 3 if the exposure is non-performing/default..
- An exposure which has been classified in Stage 2 in previous quarter of reference could be classified either in Stage 1 in the next reporting quarter, if the exposure is performing and does not meet any of the criteria of "Significant increase in credit risk" and in particular, for case of Forborne Performing exposure, if the exit criteria from the 2-years probation period are met. It could also remain in Stage 2, if the credit risk has not substantially changed, or be transferred to Stage 3, if the exposure is non-performing/default.
- An exposure which has been classified in Stage 3 previous quarter of reference could be classified either in Stage 1 in the next reporting quarter, if the exposure is performing and does not meet any of the criteria of "Significant increase in credit risk", or transferred in Stage 2, if it is no longer considered as non-performing, or remain in Stage 3, if it is still non-performing/default

The Group does not make use of the exemption provided by the standard for low credit risk exposures.

For classification purposes, for wholesale banking revolving exposures, initial recognition date is the date of the most recent credit assessment reflecting the annual thorough credit risk review practice of the Bank.

### Significant Increase in Credit Risk

For the timely identification of significant increase in credit risk for an Exposure after the initial recognition (SICR) and the calculation of the lifetime credit loss of the exposure instead of the twelve months credit loss, the default risk at the reference date is compared to the default risk at the initial recognition date for all the Performing Exposures, including those with no days past due (Delinquencies).

The assessment for deciding if an exposure shows significant increase in credit risk or not is based on the following three types of Indicators:

- **Quantitative Indicators:** They refer to the use of quantitative information and specifically to the comparison between the probability of default (PD) at the reference date and the probability of default at the initial recognition date. The assessment of significant increase in credit risk takes into account the absolute increase of PD between the reporting



and the initial recognition date (which can range between 3 and 5 percentage point depending on the asset class of the loans) as well as the relative increase of PD between the reporting and the initial recognition date (doubling or tripling of PD, depending on asset class of the loan). Absolute and relative thresholds determining the significant increase between reporting and initial recognition date are validated on an annual basis, in order to ensure a robust statistical discriminatory power.

- **Qualitative Indicators:** They refer to use of qualitative information which is not necessarily depicted in the probability of default, such as the assessment of an exposure as performing forborne ("FPL" 2 years probation period according to EBA ITS). Additional qualitative indicators for the Wholesale Banking portfolios and the Retail Banking portfolios are included in Early Warning Policy. According to the abovementioned policy and as per the assessment performed, an exposure may be considered to show significant increase in credit risk. Especially for Specialized Lending portfolios additional qualitative indicators are identified).
- **Backstop Indicators:** In addition to the above, and with a view to addressing cases where there is no evidence of significant credit risk deterioration based on the quantitative and qualitative indicators, exposures over 30 days past due are considered by definition to show a significant increase in credit risk.

## Expected Credit Loss estimation

### Exposures assessed on individual basis (Individual Assessment)

The Expected Credit Loss calculation is carried out either on an individual basis, taking into account the significance of the exposure, the fact that certain exposures do not share common credit risk characteristics and the existence or not of sufficient historical data, or on a collective basis.

For companies where the corporate guarantee from the parent company represent 100% of the exposure of the companies, or for other important interdependencies between group of companies, the assessment may be performed at a group level.

Regarding the exposures to companies, with at least one non-performing exposure, they are individually assessed if they exceed the limits set by each company of the Group (following the permission/approval of the Bank). All other exposures to Companies are collectively assessed.

Specifically for the Bank, Exposures to Companies assessed on an individual basis are the following:

- Borrowers with at least one Non-Performing Exposure whose Customer overall credit Limit in the Bank exceeds the amount of Euro 1.5 million.
- Borrowers of the Shipping Division and the Structured Finance Division regardless the overall credit limit with at least one Non-Performing Exposure.
- Exposures that do not share common risk characteristics or for which no relevant historical data that enables a collective analysis is available.

Any remaining Exposure to Companies is assessed collectively.

Non-performing Exposures to Individuals are individually assessed, if the exposures of retail banking customers exceed the defined limits according to the specifications of each Group company. All other exposures to individuals are collectively assessed.

Specifically for the Bank, Exposures to Individuals are assessed individually, if they are Non-Performing Exposures (NPE), and if the following threshold, per portfolio, applies:

- Consumer Loans: Accounts of Consumer Credit Borrowers with total on balance exposures over € 500 thousand.
- Mortgage Loans: Accounts of Mortgage Credit Borrowers with on balance exposures over € 2 million.

Any remaining exposure to Individuals is assessed collectively.

### Exposures assessed on collective basis (Collective Assessment)

Collective Assessment applies to credit exposures which are not assessed individually, i.e. exposures classified in Stage 1 and Stage 2 as well as non-performing exposures that do not meet the above criteria for individual assessment, after having been categorised based on similar credit risk characteristics by portfolio.



For the classification of credit facilities into groups with similar credit risk characteristics, the followings are considered:

- Staging according to Credit Risk
- Type of Product
- Days Past Due
- Time in default
- Indication of default
- Modification of contractual terms for borrowers showing financial difficulty (Forbearance Measures)
- Existence of Collateral taking into account the type and the percentage rate of coverage (Loan to Value)
- Existence of Greek State Guarantee
- Partial Write-Off
- Credit Risk Rating
- Activity Sector

The groupings are reviewed on a regular basis to ensure that each group is comprised of homogenous exposures.

### Calculation of expected credit loss

Expected Credit Loss is updated at each reporting date to reflect the changes in the credit risk since initial recognition and thus provide timely information on evolution of expected credit losses.

The measurement of Expected Credit Losses is performed as follows:

- For financial assets, a credit loss is the present value of the difference between:

- (a) the contractual cash flows and
- (b) the cash flows that the Group expects to receive

- For undrawn loan commitments, a credit loss is the present value of the difference between:

- (a) the contractual cash flows that are due if the loan commitment drawn down the loan; and
- (b) the cash flows that the Group expects to receive if the loan is drawn down.

- For letters of guarantee and letters of credit, the loss is equal to the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder.

### Incorporation of forward-looking information

The Group calculates Expected Credit Losses based on the weighted probability of three alternative scenarios. More specifically, the Economic Research Division produces forecasts for the possible evolution of macroeconomic variables that affect the level of Expected Credit Losses of loan portfolios under a baseline and under two alternative macroeconomic scenarios (an upside and an adverse one) and also produces the cumulative probabilities associated with these scenarios.

The macroeconomic variables affecting the level of expected credit losses are the Gross Domestic product (GDP), the unemployment rate and forward looking prices of residential and commercial real estates

The yearly average for the period 2019 - 2022 of macroeconomic variables affecting both the Probability of Default and the expected Loss Given Default are the following:

	2019 - 2022		
	Adverse scenario	Base scenario	Upside scenario
Real GDP growth	(0,2)%	1,8%	3,7%
Unemployment rate	18,1%	15,9%	13,7%
Change in Residential Real Estate prices (RRE)	(0,7)%	2,6%	5,8%
Change in Commercial Real Estate prices (CRE)	(0,3)%	2,7%	5,7%

The production of baseline scenario, supported by a consistent economic description, constitutes the most likely scenario according to the current economic conditions and the Group's basic assessment of the course of the economy.



The cumulative probabilities of the macroeconomic scenarios for the Greek economy will indicate that the economy performs better or worse than forecasts of the baseline scenario and the alternative scenarios, i.e. the upside and downside scenario. For each one of the alternative scenarios, the expected credit loss is calculated and weighted against the probability of each scenario in order to calculate the weighted expected credit loss

The cumulative probability assigned to the base scenario is 60%, while cumulative probability assigned to the adverse and upside scenario is 20% for each of the scenario.

If the assigned cumulative probability of the adverse scenario was increased from 20% to 40%, Expected Credit Losses would increase by € 170.9 million. If the assigned cumulative probability of the upside scenario was increased from 20% to 40%, Expected Credit Losses would decrease by € 170.8 million.

### Credit risk parameters

Calculation of Expected Credit Loss is based on the following credit risk parameters which are developed parameters, through internal statistical models based on historical data:

- **Probability of Default (PD):** It is an estimate of the probability of a debtor to default over a specific time horizon. For assessing the probability of default, the credit risk rating models assess a series of parameters that can be grouped as follows:
  - Financial Analysis: The Borrower's Financial Capacity (Liquidity Indicators, Debt to Revenue etc.)
  - Competitor's analysis: the borrower's comparative position in the market in which operates, mainly in relation to its competitors (mainly applicable to debtors of Wholesale Banking)
  - Current and historical debtor's behavioural data either towards the Bank or towards third parties (delinquencies, repayment behavior, etc.), and
  - Qualitative characteristics of the debtor (strong and sound management, management succession, appropriate facilities and equipment, etc.).

Credit Ratings constitute the main input in order to determine the probability of default. The Group uses statistical models in order to analyze the collected data and make estimates of the remaining probability of default over the life of the exposures and how they will evolve over time based, among other things, on macroeconomic variables.

- **Exposure at default (EAD):** Exposure at Default is an estimate of the amount of the exposure at the time of the default taking into account: (a) expected changes in the exposure after the reporting date, including principal and interest payments; (b) the expected use of credit limits and (c) accrued interest. The approved credit limits that have not been fully disbursed represent a potential credit exposure and are converted into a credit exposure equal to the approved undrawn credit limit multiplied by a Credit Conversion Factor (CCF). The Credit Conversion factor of credit exposure is calculated based on statistical models. The maximum period for which credit losses are calculated is the remaining contractual maturity of a financial instrument unless the Group has the legal right to recall the financial instrument earlier. In particular, for Credit Cards and revolving exposures to individuals, the maximum period is set at three years, while for revolving loans to Small Businesses, the corresponding maturity is set at four years. Regarding Wholesale Banking revolving exposures, the period is set to one year, given the thorough credit review performed at least once a year.

The Group uses EAD models that reflect the characteristics of the portfolios.

- **Loss given default (LGD):** Loss given default is an estimate of the loss that will occur if the default occurs at a given time. It is based on the difference between the contractual cash flows due and those expected to be received, including the liquidation of collaterals and cure rate based on historical data or based on relevant the Business Plan, which incorporates the estimated evolution of management actions. Furthermore, in cases that cash flows are expected to derive from the sale of loans, the Group has incorporated, as the base scenario, the expected sales price into Expected Credit Losses calculation. For unsecured loans, the estimated expected losses at the time of the default, take into account expected recovery rates which vary throughout the recovery period as well as the probability of curing.

Expected recoveries from tangible collaterals take into account the following inputs: the most recent valuation (updated within the year) for the market value of the collateral, the time required for the liquidation or sale of the tangible collateral (ranging



between 1 to 3 years depending on the legal action status of the loan), the expected market value at liquidation /sale date based on the evolution of RRE/ CRE indices for the next 3 years, the expected recoveries through foreclosure process or sale as derived from historical data obtained for foreclosures and sales of collateral. Last, the recovery rate of the group is adjusted to reflect value of preferential claims. Expected cash flows are discounted using the original effective interest rate.

In addition, cure rate are in line with Bank's business plan for the reduction of NPE (sale, restructuring e.t.c.)

Last, for secured exposures, the LGD varies based on each macroeconomic scenario.

### Undrawn commitments

According to IFRS 9, these contracts fall within the scope for expected credit losses recognition..

In estimating the expected credit losses over the life of an undrawn loan commitment, the Group assesses the expected part of the loan commitment that will be used throughout its expected life.

### Governance

The Credit Risk Committee is responsible for approving the Expected Credit Losses as well as the methodologies developed by the Group for calculating the expected credit loss (ECL Methodology) for loan portfolio.

The Board of Directors approves the Group Loan Impairment Policy through the Risk Management Committee.

### FORBEARANCE

Maintaining a healthy loan portfolio depends on the constant monitoring and assessment of the borrowers in order to allow early detection of future liquidity problems, which could affect the normal repayment of their obligations to the Group.

The credit tools which are normally used by the Group for managing the liquidity problems that borrowers are facing for repaying their obligations are the restructuring of debt through the renegotiation of the original terms and conditions of the loan agreement they have entered into.

The Executive Committee "Act 42/30.05.2014" as amended by the Executive Committee "Act 47/9.2.2015" and the Executive Committee "Act 102/ 30.8.2016" 134/5.3.2018 and 136/2.4.2018 of the Bank of Greece, has determined the supervisory framework for the management of loans in arrears and non-performing loans, over and above the already applicable requirements of Law 4261/2014, the CRR 575/2013, and delegated the decision authority to the Bank of Greece.

Furthermore, in the context of the Commission Implementing Regulation (EU) 2015/227 of the European Commission dated January 9, 2015 and the executive technical standards of the European Banking Authority, the Group assumes the resulting regulatory obligations for forbore exposures.

Forbearance measures should be applied on the basis of the risk, cooperativeness and viability of each debtor and consist of concessions that are robust and sustainable, through the renegotiation of the initial terms and conditions of the debt contract duly taking into account the causes of the debtor's financial difficulties.

Forbearance measures may be applied a) on the basis of a customer's request, b) in accordance with the Code of Conduct under Law 4224/2013, as currently is in force, which is a State initiative under the supervision of the Bank of Greece. Apart from the forbearance measures applied to existing Retail lending exposures, which are initiated by the Group in accordance with the directives of the Executive Committee Acts of the Bank of Greece (No. 42/30.5.14 47/9.2.2015, 102/30.8.2016, 134/5.3.2018, 136/2.4.2018) and Arrears Resolution Process (ARP) of the Code of Conduct under L.4224/2013 as currently is in force, there are restructuring solutions according to the Legislative Framework. The existence of more favorable terms for renegotiating and modifying the terms and conditions of the bilateral arrangement between the Group and the debtor (concession), who is facing or is about to face difficulties in meeting his financial commitments ("financial difficulty"), are defined with respect to:

- Respective terms existing and applied to customers with no financial difficulty; and
- Corresponding terms existing in market for debtors with similar credit risk profile.

### MONITORING OF FORBORNE EXPOSURES

Following the Executive Committee Act 42/30.5.2014, ("Act 42") as subsequently amended by the Act 47/9.2.2015 ("Act 47") and



by the Act 102/30.8.2016 (“Act 102”) 134/5.3.2018 and 136/2.4.2018 of the Bank of Greece, the Group has undertaken a series of actions to ensure adherence to the supervisory obligations and requirements arising from the above Acts. These changes cover the following distinct sections:

- Adaptation of Information Systems of the Group;
- Amendments of the existing processes, such as the customization of new types of forbore exposures according to what is provided in Act 42, Act 47 and Act 102 /134/136.
- Creation of data structures (Data Marts) aiming at:
  - Automation of the processes related to the production of both internal (Risk Management) and external (Supervisory) reports;
  - Perform analyses on the portfolio of the Group; and
  - Production of Management Information Reporting (MIS)

Additionally, the Group has introduced independent operation management for the “Troubled Assets” (Troubled Asset Committee). This is achieved by the representation of the Administrative Bodies in the Evaluation and Monitoring of Denounced Customers Committee as well as in the Arrears Councils.

### WRITE-OFFS AND WRITE-DOWNS OF BAD DEBTS

**Bad Debt Write-off** is defined as the reduction of the gross carrying amount of a financial asset, when there is no reasonable expectation of recovery. The write-off refers to the accounting write-off of a debt or a portion of it, i.e. the removal of the financial asset or part of it from the balance sheet, which does not necessarily entail the waiver of the legal right to recover the debt. In the event that the Group decides to waive its legal right to recover the debt, this is called **Debt Forgiveness** and this waiver may include either on or off-balance sheet items as well.

**Bad Debt Write-down** is defined as the definitive reduction of a debt or portion of it, as a result of a legally binding decision or agreement (court judgment, contractual agreement etc.), which is not further claimable. It is noted that this category encompasses **Definitive write-downs** which are unconditional and **Conditional Write-Downs** (Contingent Write-Down) subject to the achievement by the Customer of a specific performance (usually, upon the successful implementation of a specific repayment program). In the case of Definitive Write-downs, both the accounting and the legal reduction (Debt Forgiveness) take place immediately and simultaneously, whereas in the case of Contingent Write-downs, the accounting reduction takes place when the relevant decision is taken or when the agreement is concluded, while the legal reduction (Debt Forgiveness) takes place either simultaneously with the relevant decision or at a later (future) time, depending on the type of the condition.

Contingent Write-downs of debts are in turn classified into:

- (a) **Resolutive Condition**, i.e. the debt is accounting and legal write down at the time of reaching the agreement with the Debtor and is revived only in the event that the debtor does not pay the remaining amount and
- (b) **Condition Precedent**, i.e. the debt is legally written down if the Debtor repays the debt in accordance with the relevant agreement.

Indicative conditions for the submission of proposals for writing-off a part or the whole of bad debts include, but are not limited to, the following:

- The relevant Agreements with the Customers have been terminated.
- Payment Orders have been issued against all liable parties to such Agreements.
- The actions regarding the investigation of immovable property have been completed without any results.
- The procedure for the registration of encumbrances.
- At least one real estate property has been auctioned, so that the preferential claims (through the final creditor’s classification list) and, by extension, the Group’s potential losses, are finalised.
- In cases where the likelihood of further recovery of the debt is considered to be particularly low, due to:
  - the fact that the debtors are placed under special liquidation;



- the proven existence of preferential claims of a significant amount and the adoption of a decision to cease litigation actions, in order to avoid non-collectable enforcement costs;
- the fact that further litigation actions seeking collection of the claim is economically unprofitable (e.g. low-value collateral);

The write-off requires the existence of an impairment provision in the same amount, established no later than in the quarter preceding the submission of the proposal.

## DUE FROM BANKS

Exposure to credit institutions relates to loans, interbank transactions (which include positions in derivatives) and International Trade activities. Following the basic rules of designation, monitoring and revision of corporate lending, boundaries are established by the relevant Credit Committees for the monitoring of credit risk for the overall exposure per credit institution counterparty, excluding positions related to bonds issued by them. The approved credit limits are monitored on a daily basis. The validity period of the limits is specified in the approval of the limits in accordance with the counterparty credit institutions rating from international credit rating agencies.

In addition to the regular revisions of counterparty credit institutions limits, interim revisions may be carried out either due to circumstances associated with the trading activity of the Group or due to markets conditions or problems associated with counterparty credit institutions. Trigger events for an extraordinary review are regularly monitored per counterparty in order to review the relevant limits when such trigger events exist.

At each reporting date, a loss allowance for expected credit losses on due from banks is recognized.

The loss allowance is based on expected credit losses related to the probability of default within the next twelve months, unless there has been a significant increase in credit risk from the date of initial recognition in which case expected credit losses are recognized over the life of the instrument. In addition, if the receivable falls under the definition of purchased or originated credit impaired (POCI) financial assets, a loss allowance equal to the lifetime expected credit losses is recognized.

Due from bank's credit risk is assessed based on credit rating of rating agencies or internal credit rating of the counterparty when a loan exposure exists at bank level.

The Group defines as low credit risk all investment grade counterparties, for which it calculates a credit allowance equal to a 12-month expected credit loss (Stage 1).

For counterparties which do not meet the criteria of investment grade, the assessment of the significant increase in credit risk for which calculation of lifetime expected credit losses is required (Stage 2), is based on the two following conditions:

- Downgrade by at least two notches of the counterparty credit rating between the reporting date and the initial recognition date
- The 12-month PD at reporting date is above 5% in absolute terms and has increased more than 50% compared to the respective PD existing at initial recognition date.

## INVESTMENTS IN DEBT SECURITIES

Investments in debt securities relate to securities that are classified into investment security portfolio. If there is a loan relationship with the counterparty issuer at the time of classification of the security position as investment, the Corporate Credit Policy procedures apply. These positions are subject to Group investment limits and issuer's limits and are monitored on a daily basis.

At each reporting date, a loss allowance for expected credit losses on bonds, which are not measured at fair value through profit or loss, is recognized.

The loss allowance is based on expected credit losses related to the probability of default within the next twelve months, unless there has been a significant increase in credit risk from the date of initial recognition in which case expected credit losses are recognized over the life of the instrument. In addition, if the debt securities fall under the definition of purchased or originated credit impaired (POCI) financial assets, a loss allowance equal to the lifetime expected credit losses is recognized.

Credit risk of investment in debt securities is assessed based on credit ratings of rating agencies or internal credit rating in case of Greek corporate issuers for which loan exposure exists.



The Group defines as low credit risk all investment grade securities, for which it calculates a credit allowance equal to a 12-month expected credit loss (Stage 1).

For debt securities, which do not meet the criteria of investment grade, the assessment of the significant increase in credit risk for which calculation of lifetime expected credit losses is required (Stage 2), is based on the two following conditions:

- Downgrade by at least two notches of the counterparty credit rating between the reporting date and the initial recognition date
- The 12-month PD at reporting date is above 5% in absolute terms and has increased more than 50% compared to the respective PD existing at initial recognition date

In addition, the Group is monitoring, the change in credit spreads since the initial recognition date. A change in the credit spread of the issue of more than 500bps since the initial recognition date is a trigger for the review of the debt instrument staging.

Depending on the outcome of the above review the debt instrument will remain at Stage 1 or be allocated at Stage 2, regardless of whether the primary staging criteria for allocation to Stage 2 have been triggered or not.



**FINANCIAL INSTRUMENTS CREDIT RISK**

The maximum credit risk per category, in which the Group is exposed, is depicted in the “Net exposure to credit risk”.

	31.12.2018		
	Exposure before impairment	Provision for impairment losses	Net exposure to credit risk
<b>A. Credit risk exposure relating to balance sheet items</b>			
Balances with central Banks	1,514,038	92	1,513,946
Due from Banks	2,570,617	70,125	2,500,492
Loans and advances to customers:			
- Loans measured at amortised cost	51,747,100	12,026,368	39,720,732
- Advances to customers measured at amortised cost	220,989	31,862	189,127
- Loans measured at fair value through profit or loss	318,460		318,460
<b>Total</b>	<b>52,286,549</b>	<b>12,058,230</b>	<b>40,228,319</b>
Derivative financial assets	725,173		725,173
Trading securities:			
- Government bonds	6,669		6,669
<b>Total</b>	<b>6,669</b>	<b>-</b>	<b>6,669</b>
Securities measured at fair value through other comprehensive income:			
- Securities measured at fair value through other comprehensive income (Government bonds)	5,053,874	53,223	5,000,651
- Securities measured at fair value through other comprehensive income (other)	1,859,653	4,251	1,855,402
<b>Total</b>	<b>6,913,527</b>	<b>57,474</b>	<b>6,856,053</b>
Securities measured at fair value through profit or loss:			
- Securities measured at fair value through profit or loss (other)	23,011		23,011
<b>Total</b>	<b>23,011</b>	<b>-</b>	<b>23,011</b>
Held for sale assets - Loans and receivables measured at amortised cost	54,796	23,644	31,152
Held for sale assets - Loans and receivables measured at fair value through profit or loss	24,773		24,773
<b>Total</b>	<b>79,569</b>	<b>23,644</b>	<b>55,925</b>
<b>Total amount of balance sheet items exposed to credit risk (a)</b>	<b>64,119,153</b>	<b>12,209,565</b>	<b>51,909,588</b>
Other balance sheet items not exposed to credit risk	9,461,286	364,134	9,097,152
<b>Total Assets</b>	<b>73,580,439</b>	<b>12,573,699</b>	<b>61,006,740</b>
<b>B. Credit risk exposure relating to off balance sheet items:</b>			
Letters of guarantee, letters of credit and other guarantees	3,402,786	87,815	3,314,971
Undrawn loan agreements and credit limits	3,532,935	4,407	3,528,528
<b>Total amount of off balance sheet items exposed to credit risk (b)</b>	<b>6,935,721</b>	<b>92,222</b>	<b>6,843,499</b>
<b>Total credit risk exposure (a+b)</b>	<b>71,054,874</b>	<b>12,301,787</b>	<b>58,753,087</b>

**LOANS AND ADVANCES TO CUSTOMERS**

For credit risk disclosure purposes, the accumulated provision for impairment losses of loans to customers measured at amortised cost (i.e. Expected Credit Loss) include the accumulated allowance for impairment losses and the fair value adjustment for the contractual balance of loans which were impaired at their acquisition or origination (POC) since the Group, from credit risk perspective, monitors the respective adjustment as part of the provisions. These loans were recognized either in the context of acquisition of specific loans or companies (i.e. Emporiki Bank and Citibank's retail operations in Greece), or as a result of significant modification of the terms of the previous loan that led to derecognition. Relevant adjustment has also been performed at the carrying amount of loans.

**Loans by IFRS 9 Stage (past due and not past due)**

The following table presents past due and not past due loans, measured at amortised cost, per IFRS 9 Stage as well as loans that are measured at fair value through profit or loss, as at 31.12.2018:

	Loans measured at amortised cost														
	Loans measured at fair value through profit or loss (FVPL)					Stage 1					Stage 2				
	Not past due	Past due	Net carrying amount	Value of collateral		Not past due	Past due	Carrying amount (before provision for impairment losses)	Expected credit losses	Net carrying amount	Not past due	Past due	Carrying amount (before provision for impairment losses)	Expected credit losses	Net carrying amount
<b>Retail lending</b>	-	<b>1,152</b>	<b>1,152</b>	<b>1,152</b>	<b>6,997,137</b>	<b>578,822</b>	<b>7,575,959</b>	<b>25,267</b>	<b>7,550,692</b>	<b>2,667,355</b>	<b>1,772,103</b>	<b>4,439,458</b>	<b>213,747</b>	<b>4,225,711</b>	
Mortgage	-	-	-	-	4,915,537	477,842	5,393,379	3,251	5,390,128	1,851,494	1,475,377	3,326,871	61,640	3,265,231	
Consumer	-	1,152	1,152	1,152	720,842	65,718	786,560	6,323	780,237	293,599	151,095	444,694	58,368	386,326	
Credit cards	-	-	-	-	939,981	18,390	958,371	13,297	945,074	48,239	53,493	1,01,732	25,787	75,945	
Small Business	-	-	-	-	420,777	16,872	437,649	2,396	435,253	474,023	92,138	566,161	67,952	498,209	
<b>Corporate lending</b>	<b>301,204</b>	<b>16,105</b>	<b>317,309</b>	<b>257,538</b>	<b>10,780,589</b>	<b>397,807</b>	<b>11,178,396</b>	<b>90,704</b>	<b>11,087,692</b>	<b>1,152,598</b>	<b>327,050</b>	<b>1,479,648</b>	<b>67,278</b>	<b>1,412,370</b>	
Large	283,125	16,105	299,230	256,873	6,736,467	229,971	6,966,438	64,879	6,901,559	905,290	274,043	1,179,333	50,489	1,128,844	
SME's	18,079	-	18,079	665	4,044,122	167,836	4,211,958	25,825	4,186,133	247,308	53,007	300,315	16,789	283,526	
<b>Public sector</b>	-	-	-	-	<b>831,828</b>	<b>2,777</b>	<b>834,605</b>	<b>24,649</b>	<b>809,956</b>	<b>28,010</b>	<b>265</b>	<b>28,275</b>	<b>939</b>	<b>27,336</b>	
Greece	-	-	-	-	772,002	2,777	774,779	24,383	750,396	27,696	-	27,696	905	26,791	
Other countries	-	-	-	-	59,826	-	59,826	266	59,560	314	265	579	34	545	
<b>Total</b>	<b>301,204</b>	<b>17,257</b>	<b>318,461</b>	<b>258,690</b>	<b>18,609,554</b>	<b>979,406</b>	<b>19,588,960</b>	<b>140,620</b>	<b>19,448,340</b>	<b>3,847,963</b>	<b>2,099,418</b>	<b>5,947,381</b>	<b>281,964</b>	<b>5,665,417</b>	

31.12.2018

	Loans measured at amortised cost											
	Stage 3					Purchased or originated credit impaired loans (POCI)						
	Not past due	Past due	Carrying amount (before provision for impairment losses)	Expected credit losses	Net carrying amount	Not past due	Past due	Carrying amount (before provision for impairment losses)	Expected credit losses	Net carrying amount	Total net carrying amount at amortised cost	Value of collateral
<b>Retail lending</b>	<b>1,601,627</b>	<b>10,437,168</b>	<b>12,038,795</b>	<b>5,035,026</b>	<b>7,003,769</b>	<b>958,572</b>	<b>4,536,218</b>	<b>5,494,790</b>	<b>1,857,745</b>	<b>3,637,045</b>	<b>22,417,217</b>	<b>18,195,948</b>
Mortgage	612,768	6,041,686	6,654,454	2,410,223	4,244,231	480,176	2,705,641	3,185,817	785,680	2,400,137	15,299,727	14,451,678
Consumer	404,317	1,519,085	1,923,402	1,086,335	837,067	342,317	947,960	1,290,277	563,368	726,909	2,730,539	1,139,852
Credit cards	23,734	220,038	243,772	190,518	53,254	4,860	48,792	53,652	42,771	10,881	1,085,154	84,563
Small Business	560,808	2,656,359	3,217,167	1,347,950	1,869,217	131,219	833,825	965,044	465,926	499,118	3,301,797	2,519,855
<b>Corporate lending</b>	<b>1,701,253</b>	<b>5,541,421</b>	<b>7,242,674</b>	<b>3,923,577</b>	<b>3,319,097</b>	<b>515,850</b>	<b>884,476</b>	<b>1,400,326</b>	<b>761,965</b>	<b>638,361</b>	<b>16,457,520</b>	<b>13,607,976</b>
Large	891,620	2,469,707	3,361,327	1,828,608	1,532,719	343,966	204,085	548,051	200,938	347,113	9,910,235	7,945,542
SMEs	809,633	3,071,714	3,881,347	2,094,969	1,786,378	171,884	680,391	852,275	561,027	291,248	6,547,285	5,662,434
<b>Public sector</b>	<b>3,321</b>	<b>952</b>	<b>4,273</b>	<b>3,269</b>	<b>1,004</b>	<b>26,375</b>	<b>3,526</b>	<b>29,901</b>	<b>22,202</b>	<b>7,699</b>	<b>845,995</b>	<b>189,371</b>
Greece	3,321	952	4,273	3,269	1,004	26,375	3,526	29,901	22,202	7,699	785,890	165,994
Other countries	-	-	-	-	-	-	-	-	-	-	60,105	23,377
<b>Total</b>	<b>3,306,201</b>	<b>15,979,541</b>	<b>19,285,742</b>	<b>8,961,872</b>	<b>10,323,870</b>	<b>1,500,797</b>	<b>5,424,220</b>	<b>6,925,017</b>	<b>2,641,912</b>	<b>4,283,105</b>	<b>39,720,732</b>	<b>31,993,295</b>

"Purchased or originated credit impaired loans" include loans amounting to €829,994 which as at 31.12.2018 are not credit impaired/non performing.



## Loans by credit quality and IFRS 9 Stage

The following table presents loans measured at amortised cost per IFRS 9 Stage and credit quality, as well as loans that are measured at fair value through profit or loss by credit quality, as at 31.12.2018.

31.12.2018						
	Loans measured at amortised cost					Loans measured at fair value through profit or loss
	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired (POCI)	Total	
<b>Mortgage</b>						
Strong credit quality	4,669,950	132,011		57,302	4,859,263	
Satisfactory credit quality	699,422	2,377,521		282,269	3,359,212	
Watch list (higher risk)	24,007	817,339		215,352	1,056,698	
Default			6,654,454	2,630,894	9,285,348	
<b>Carrying amount (before provision for impairment losses)</b>	<b>5,393,379</b>	<b>3,326,871</b>	<b>6,654,454</b>	<b>3,185,817</b>	<b>18,560,521</b>	
Expected credit losses	(3,251)	(61,640)	(2,410,223)	(785,680)	(3,260,794)	
<b>Net Carrying Amount</b>	<b>5,390,128</b>	<b>3,265,231</b>	<b>4,244,231</b>	<b>2,400,137</b>	<b>15,299,727</b>	
Value of collateral	4,999,688	2,778,338	4,431,394	2,242,258	14,451,678	
<b>Consumer</b>						
Strong credit quality	550,950	21,955		26,232	599,137	
Satisfactory credit quality	232,016	134,929		44,872	411,817	
Watch list (higher risk)	3,594	287,810		85,949	377,353	
Default			1,923,402	1,133,224	3,056,626	1,152
<b>Carrying amount (before provision for impairment losses)</b>	<b>786,560</b>	<b>444,694</b>	<b>1,923,402</b>	<b>1,290,277</b>	<b>4,444,933</b>	
Expected credit losses	(6,323)	(58,368)	(1,086,335)	(563,368)	(1,714,394)	
<b>Net Carrying Amount</b>	<b>780,237</b>	<b>386,326</b>	<b>837,067</b>	<b>726,909</b>	<b>2,730,539</b>	<b>1,152</b>
Value of collateral	276,873	64,541	342,959	455,478	1,139,851	1,152
<b>Credit Cards</b>						
Strong credit quality	698,282	4,420		735	703,437	
Satisfactory credit quality	260,036	54,861		1,672	316,569	
Watch list (higher risk)	53	42,451		1,291	43,795	
Default			243,772	49,954	293,726	
<b>Carrying amount (before provision for impairment losses)</b>	<b>958,371</b>	<b>101,732</b>	<b>243,772</b>	<b>53,652</b>	<b>1,357,527</b>	
Expected credit losses	(13,297)	(25,787)	(190,518)	(42,771)	(272,373)	
<b>Net Carrying Amount</b>	<b>945,074</b>	<b>75,945</b>	<b>53,254</b>	<b>10,881</b>	<b>1,085,154</b>	
Value of collateral	62,355	1,772	17,345	3,091	84,563	
<b>Small Business</b>						
Strong credit quality	375,471	13,636		8,586	397,693	
Satisfactory credit quality	44,862	135,326		3,847	184,035	
Watch list (higher risk)	17,316	417,199		45,973	480,488	
Default			3,217,167	906,639	4,123,806	
<b>Carrying amount (before provision for impairment losses)</b>	<b>437,649</b>	<b>566,161</b>	<b>3,217,167</b>	<b>965,044</b>	<b>5,186,021</b>	
Expected credit losses	(2,396)	(67,952)	(1,347,950)	(465,926)	(1,884,224)	
<b>Net Carrying Amount</b>	<b>435,253</b>	<b>498,209</b>	<b>1,869,217</b>	<b>499,118</b>	<b>3,301,797</b>	
Value of collateral	315,546	326,211	1,501,491	376,607	2,519,855	
<b>Large Corporate</b>						
Strong credit quality	3,720,961	39,493			3,760,454	51,443
Satisfactory credit quality	3,155,932	648,419		26,065	3,830,416	113,823
Watch list (higher risk)	89,508	491,421		15,631	596,560	36,018
Default	37		3,361,327	506,355	3,867,719	97,944
<b>Carrying amount (before provision for impairment losses)</b>	<b>6,966,438</b>	<b>1,179,333</b>	<b>3,361,327</b>	<b>548,051</b>	<b>12,055,149</b>	
Expected credit losses	(64,879)	(50,489)	(1,828,608)	(200,938)	(2,144,914)	
<b>Net Carrying Amount</b>	<b>6,901,559</b>	<b>1,128,844</b>	<b>1,532,719</b>	<b>347,113</b>	<b>9,910,235</b>	<b>299,229</b>
Value of collateral	4,740,251	989,038	1,860,849	355,404	7,945,542	256,873



31.12.2018						
	Loans measured at amortised cost					Loans measured at fair value through profit or loss
	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired (POCI)	Total	
<b>SME's</b>						
Strong credit quality	1,451,982	10,784			1,462,766	
Satisfactory credit quality	2,638,223	131,297		7,830	2,777,350	
Watch list (higher risk)	121,743	158,234		6,388	286,365	
Default	10		3,881,347	838,057	4,719,414	18,079
<b>Carrying amount (before provision for impairment losses)</b>	<b>4,211,958</b>	<b>300,315</b>	<b>3,881,347</b>	<b>852,275</b>	<b>9,245,895</b>	
Expected credit losses	(25,825)	(16,789)	(2,094,969)	(561,027)	(2,698,610)	
<b>Net Carrying Amount</b>	<b>4,186,133</b>	<b>283,526</b>	<b>1,786,378</b>	<b>291,248</b>	<b>6,547,285</b>	<b>18,079</b>
Value of collateral	2,858,278	230,588	2,228,412	345,156	5,662,434	665
<b>Public Sector</b>						
Strong credit quality	331,373				331,373	
Satisfactory credit quality	445,333	28,275			473,608	
Watch list (higher risk)	57,899				57,899	
Default			4,273	29,901	34,174	
<b>Carrying amount (before provision for impairment losses)</b>	<b>834,605</b>	<b>28,275</b>	<b>4,273</b>	<b>29,901</b>	<b>897,054</b>	
Expected credit losses	(24,649)	(939)	(3,269)	(22,202)	(51,059)	
<b>Net Carrying Amount</b>	<b>809,956</b>	<b>27,336</b>	<b>1,004</b>	<b>7,699</b>	<b>845,995</b>	
Value of collateral	152,856	23,985	1,920	10,610	189,371	

#### Off-balance sheet items by credit quality and IFRS 9 Stage

31.12.2018					
	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired (POCI)	Total
<b>Letters of guarantee, letters of credit and other guarantees</b>					
Strong credit quality	1,347,916				1,347,916
Satisfactory credit quality	1,038,360	200,394			1,238,754
Watch list (higher risk)	464,748	19,839			484,587
Default			331,529		331,529
<b>Carrying amount (before allowance for impairment losses)</b>	<b>2,851,024</b>	<b>220,233</b>	<b>331,529</b>		<b>3,402,786</b>
Expected credit losses	(12,525)	(2,804)	(72,484)		(87,813)
<b>Net Carrying Amount</b>	<b>2,838,499</b>	<b>217,429</b>	<b>259,045</b>		<b>3,314,973</b>
Value of collateral of impaired letters of guarantee, letters of credit and other guarantees			32,653		32,653
<b>Undrawn loan agreements and credit limits</b>					
Strong credit quality	2,625,837	4,675		502	2,631,014
Satisfactory credit quality	802,169	43,748		304	846,221
Watch list (higher risk)	23,969	22,423		29	46,421
Default			7,950	1,328	9,278
<b>Carrying amount (before allowance for impairment losses)</b>	<b>3,451,975</b>	<b>70,846</b>	<b>7,950</b>	<b>2,163</b>	<b>3,532,934</b>
Expected credit losses	(2,651)	(1,011)	(585)	(161)	(4,408)
<b>Net Carrying Amount</b>	<b>3,449,324</b>	<b>69,835</b>	<b>7,365</b>	<b>2,002</b>	<b>3,528,526</b>
Value of collateral of impaired undrawn loan agreements and credit limits			1,920	126	2,046

The value of the collaterals that relates to impaired exposures amounts to € 13,646,142.

**Ageing analysis by IFRS 9 Stage and product line of loans**

Loans measured at fair value through profit or loss (FVPL)		Loans measured at amortised cost																						
		Retail lending		Mortgage Loans				Consumer				Credit Cards												
Retail lending	Corporate lending		Total		Stage 1		Stage 2		Stage 3		Total		Stage 1		Stage 2		Stage 3		Total					
	Large	SME's	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired loans (POCI)	Total	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired loans (POCI)	Total	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired loans (POCI)	Total	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired loans (POCI)	Total		
Current	283,125	18,079	301,204	4,913,254	1,822,090	486,770	441,082	7,663,196	715,855	259,016	212,005	247,760	1,434,636	927,249	37,665	5,687	2,382	972,983						
1 - 30 days	16,094		16,094	476,874	760,918	303,363	293,030	1,834,185	64,382	73,067	44,142	37,345	218,936	17,825	25,489	4,754	1,382	49,450						
31 - 60 days				330,532	165,307	122,691	618,530	30,282	46,700	30,282	39,768	19,072	82,801	7,608	4,085	725		12,418						
61 - 90 days				351,691	382,663	242,758	977,112	23,961					82,801	5,183	3,906	721		9,810						
91 - 180 days						270,493	61,097	331,590				34,930	130,144			9,893	1,060	10,953						
181 - 360 days						273,727	70,782	344,509				37,867	93,230			5,500	544	6,044						
> 360 days	1,152	11	1,163			2,361,908	1,168,697	3,530,605				327,621	671,496			19,429	4,067	23,496						
<b>Total</b>	<b>1,152</b>	<b>299,230</b>	<b>18,079</b>	<b>5,390,128</b>	<b>3,265,231</b>	<b>4,244,231</b>	<b>2,400,137</b>	<b>15,299,727</b>	<b>780,237</b>	<b>386,326</b>	<b>837,067</b>	<b>726,909</b>	<b>2,730,539</b>	<b>945,074</b>	<b>75,945</b>	<b>53,254</b>	<b>10,881</b>	<b>1,085,154</b>						
Value of collaterals	1,152	256,873	665	4,999,688	2,778,338	4,431,394	2,242,258	14,451,678	276,873	64,541	342,959	455,478	1,139,851	62,355	1,772	17,345	3,091	84,563						

31.12.2018

Loans measured at fair value through profit or loss (FVPL)		Loans measured at amortised cost																					
		Retail lending		Large				SME's				Corporate lending											
Retail lending	Small Business		Total		Stage 1		Stage 2		Stage 3		Total		Stage 1		Stage 2		Stage 3		Total				
	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired loans (POCI)	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired loans (POCI)	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired loans (POCI)	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired loans (POCI)	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired loans (POCI)	Total		
Current	418,614	416,549	471,041	102,799	1,409,003	6,675,949	862,224	586,376	263,676	8,388,225	4,019,998	233,325	545,534	92,361	4,891,218								
1 - 30 days	16,629	61,294	21,233	6,123	105,289	225,610	89,643	143,327	10,485	469,065	166,135	26,388	176,484	14,694	383,701								
31 - 60 days		13,065	27,372	4,092	44,529	44,529	152,359	36,828	19,589	208,776	7,467	7,467	78,770	2,609	88,846								
61 - 90 days		7,301	21,186	3,447	31,934	24,618	152,696	24,618	2,305	179,619	16,346	16,346	109,289	7,072	132,707								
91 - 180 days			49,572	4,076	53,648	44,607	555	44,607	555	45,162	33,047	33,047	34,776	1,729	34,776								
181 - 360 days			71,279	3,656	74,935	74,935	45,127	45,127	4,693	49,820	41,709	41,709	6,024	6,024	47,733								
> 360 days			1,207,534	374,925	1,582,459	1,582,459	523,758	523,758	45,810	569,568	801,545	801,545	166,759	166,759	968,304								
<b>Total</b>	<b>435,253</b>	<b>498,209</b>	<b>1,869,217</b>	<b>499,118</b>	<b>3,301,797</b>	<b>6,901,559</b>	<b>1,128,844</b>	<b>1,532,719</b>	<b>347,113</b>	<b>9,910,235</b>	<b>4,186,133</b>	<b>283,526</b>	<b>1,786,378</b>	<b>291,248</b>	<b>6,547,285</b>								
Value of collaterals	315,546	326,211	1,501,491	376,607	2,519,855	4,740,251	989,038	1,860,849	355,404	7,945,542	2,858,278	230,588	2,228,412	345,156	5,662,434								

31.12.2018



31.12.2018									
Loans measured at amortised cost									
Public sector									
	Greece			Purchased or originated credit impaired loans (POCI)	Total	Other countries			Total
	Stage 1	Stage 2	Stage 3			Stage 1	Stage 2	Stage 3	
Current	747,725	26,791	602	6,392	781,510	59,560	306	59,866	
1-30 days	2,671				2,671		239	239	
31-60 days									
61-90 days			4		4				
91-180 days									
181-360 days				18	18				
> 360 days			398	1,289	1,687				
<b>Total</b>	<b>750,396</b>	<b>26,791</b>	<b>1,004</b>	<b>7,699</b>	<b>785,890</b>	<b>59,560</b>	<b>545</b>	<b>60,105</b>	
Value of collaterals	130,057	23,407	1,920	10,610	165,994	22,799	578	23,377	

**Reconciliation of loans by IFRS 9 Stage**

The following table presents the movement in the loans measured at amortised cost by IFRS 9 Stage.

	31.12.2018														
	Retail lending					Corporate lending and public sector					Total loans and advances to customers				
	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired loans (POCI)	Total	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired loans (POCI)	Total	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired loans (POCI)	Total
<b>Balance 1.1.2018</b>	<b>7,795,837</b>	<b>5,013,492</b>	<b>12,933,281</b>	<b>6,134,968</b>	<b>31,877,578</b>	<b>9,598,415</b>	<b>3,393,674</b>	<b>9,062,828</b>	<b>1,691,625</b>	<b>23,746,542</b>	<b>17,394,252</b>	<b>8,407,166</b>	<b>21,996,109</b>	<b>7,826,593</b>	<b>55,624,120</b>
Transfers to Stage 1 from Stage 2 or 3	1,382,820	(1,347,277)	(35,543)			2,857,840	(2,797,943)	(59,897)			4,240,660	(4,145,220)	(95,440)		
Transfers to Stage 2 from Stage 1 or 3	(1,339,245)	2,328,141	(988,896)			(1,414,219)	1,644,840	(230,621)			(2,753,464)	3,972,981	(1,219,517)		
Transfers to Stage 3 from Stage 1 or 2	(64,737)	(1,378,544)	1,443,281			(172,711)	(288,962)	461,673			(237,448)	(1,667,506)	1,904,954		
New loans originated or purchased	437,346			22,770	460,116	3,872,440		1,652	313,127	4,187,219	4,309,786		1,652	335,897	4,647,335
Derecognition of loans	(2,554)	(3,312)	(18,539)	(2,380)	(26,785)	(16,886)	(11,969)	(353,501)	(2,978)	(385,334)	(19,440)	(15,281)	(372,040)	(5,358)	(412,119)
Changes due to modifications that did not result in loans' derecognition	(4,139)	(25,667)	(47,170)	(15,411)	(92,387)	(1,144)	(49)	(14,436)	(186)	(15,815)	(5,283)	(25,716)	(61,606)	(15,597)	(108,202)
Write-offs	(1,343)	(10,631)	(791,357)	(277,207)	(1,080,538)	(88)		(711,646)	(356,740)	(1,068,474)	(1,431)	(10,631)	(1,503,003)	(633,947)	(2,149,012)
Repayments, foreign exchange and other movements	(627,678)	(135,623)	187,712	57,923	(517,666)	(2,707,241)	(431,668)	(175,045)	(9,041)	(3,322,995)	(3,334,919)	(567,291)	12,667	48,882	(3,840,661)
Reclassification of loans to "Assets held for sale"	(348)	(1,121)	(643,974)	(425,873)	(1,071,316)	(3,405)		(734,060)	(205,580)	(943,045)	(3,753)	(1,121)	(1,378,034)	(631,453)	(2,014,361)
<b>Balance 31.12.2018</b>	<b>7,575,959</b>	<b>4,439,458</b>	<b>12,038,795</b>	<b>5,494,790</b>	<b>29,549,002</b>	<b>12,013,001</b>	<b>1,507,923</b>	<b>7,246,947</b>	<b>1,430,227</b>	<b>22,198,098</b>	<b>19,588,960</b>	<b>5,947,381</b>	<b>19,285,742</b>	<b>6,925,017</b>	<b>51,747,100</b>
Accumulated provision for impairment losses	(25,267)	(213,747)	(5,035,026)	(1,857,745)	(7,131,785)	(115,353)	(68,217)	(3,926,846)	(784,167)	(4,894,583)	(140,620)	(281,964)	(8,961,872)	(2,641,912)	(12,026,368)
<b>Balance of loans 31.12.2018</b>	<b>7,550,692</b>	<b>4,225,711</b>	<b>7,003,769</b>	<b>3,637,045</b>	<b>22,417,217</b>	<b>11,897,648</b>	<b>1,439,706</b>	<b>3,320,101</b>	<b>646,060</b>	<b>17,303,515</b>	<b>19,448,340</b>	<b>5,665,417</b>	<b>10,323,870</b>	<b>4,283,105</b>	<b>39,720,732</b>

"Repayments, foreign exchange and other movements" include an amount of € 87,128 relating to loans for which the Group, in the context of renegotiation of their terms, participated in debt to equity agreements.



### Reconciliation of accumulated provision for impairment losses of loans per IFRS 9 Stage

The following table includes the movement in the accumulated provision for impairment losses of loans measured at amortised cost:

	Accumulated provision for impairment losses															
	Retail lending			Corporate lending and public sector			Total			Total						
	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired loans (POCI)	Total	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired loans (POCI)	Total	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired loans (POCI)	Total	
<b>Changes of period</b>																
<b>1.1. - 31.12.2018</b>																
<b>Balance 01.01.2018</b>	<b>21,562</b>	<b>419,891</b>	<b>5,450,055</b>	<b>2,444,767</b>	<b>8,336,275</b>	<b>101,141</b>	<b>193,478</b>	<b>4,615,435</b>	<b>1,070,848</b>	<b>5,980,902</b>	<b>122,703</b>	<b>613,369</b>	<b>10,065,490</b>	<b>3,515,615</b>	<b>14,317,177</b>	
Transfers to Stage 1 from Stage 2 or 3	115,545	(109,377)	(6,168)			146,613	(120,101)	(26,512)			262,158	(229,478)	(32,680)			
Transfers to Stage 2 from Stage 1 or 3	(9,359)	232,224	(222,865)			(15,785)	57,210	(41,425)			(25,144)	289,434	(264,290)			
Transfers to Stage 3 from Stage 1 or 2	(524)	(193,107)	193,631			(8,908)	(21,009)	29,917			(9,432)	(214,116)	223,548			
Net remeasurement of loss allowance (a)	(74,037)	8,884	59,036	(16,902)	(23,019)	(59,754)	(2,202)	110,323	(1,551)	46,816	(133,791)	6,682	169,359	(18,453)	23,797	
Impairment losses on new loans (b)	3,721			6,145	9,866	28,381			2,859	31,240	32,102			9,004	41,106	
Changes in risk parameters (c)	(29,419)	(1,288,75)	964,169	277,264	1,083,139	(81,930)	(39,791)	611,442	22,285	512,006	(111,349)	(168,666)	1,575,611	299,549	1,595,145	
<b>Impairment losses on loans (a)+(b)+(c)</b>	<b>(99,735)</b>	<b>(119,991)</b>	<b>1,023,205</b>	<b>266,507</b>	<b>1,069,986</b>	<b>(113,303)</b>	<b>(41,993)</b>	<b>721,765</b>	<b>23,593</b>	<b>590,062</b>	<b>(213,038)</b>	<b>(161,984)</b>	<b>1,744,970</b>	<b>290,100</b>	<b>1,660,048</b>	
Derecognition of loans	(17)	(98)	(5,645)	(1,281)	(7,041)	25	(2,348)	(188,195)	2,847	(187,671)	8	(2,446)	(193,840)	1,566	(194,712)	
Write-offs	(1,343)	(10,631)	(791,357)	(277,207)	(1,080,538)	(88)		(711,646)	(356,740)	(1,068,474)	(1,431)	(10,631)	(1,503,003)	(633,947)	(2,149,012)	
Foreign exchange and other movements	(846)	(4,515)	32,587	4,623	31,849	5,808	2,980	(36,029)	156,426	129,185	4,962	(1,535)	(3,442)	161,049	161,034	
Change in present value of the allowance			(32,054)	(175,938)	(207,992)			94,658	17,612	112,270			62,604	(158,326)	(95,722)	
Reclassification of accumulated provision for impairment losses to "Assets held for sale"	(16)	(649)	(606,363)	(403,726)	(1,010,754)	(150)		(531,122)	(130,419)	(661,691)	(166)	(649)	(1,137,485)	(534,145)	(1,672,445)	
<b>Balance 31.12.2018</b>	<b>25,267</b>	<b>213,747</b>	<b>5,035,026</b>	<b>1,857,745</b>	<b>7,131,785</b>	<b>115,353</b>	<b>68,217</b>	<b>3,926,846</b>	<b>784,167</b>	<b>4,894,583</b>	<b>140,620</b>	<b>281,964</b>	<b>8,961,872</b>	<b>2,641,912</b>	<b>12,026,368</b>	

"Foreign exchange and other movements" include an amount of €62,956 relating to the accumulated provision for impairment losses of loans for which the Group, in the context of renegotiation of their terms, participated in debt to equity agreements.



In 2018, the expected credit risk losses have been affected by the following movements:

- Loans to large companies, SME's, and public sector amounting to €2,857,841 were transferred from Stage 2 or 3 to Stage 1 due to the improvement of their creditworthiness compared to their initial recognition.
- Impairment losses of loans classified in Stage 3 were affected by:
  - incorporation in the calculation of Expected Credit Losses of sale transactions based on Bank's Business Plan and,
  - further deterioration of loans portfolios remaining in Stage 3.
- Last, loans amounting to €2,149,012 were written off in 2018, resulting in a commensurate reduction in Expected Credit Losses. In addition, loans that have been written off in 2018 but still subject to enforcement activities amounted to €1,890,707.

### Reconciliation of off-balance sheet items by IFRS 9 Stage

Off-Balance Sheet items include undrawn loan commitments and letters of credit/letters of guarantee, the movement of which is shown below:

	Stage 1	Stage2	Stage 3	Purchased or originated credit impaired loans (POCI)	Total
<b>Balance 1.1.2018</b>	<b>5,677,931</b>	<b>606,954</b>	<b>425,800</b>	<b>3,158</b>	<b>6,713,843</b>
Transfers to Stage 1 from Stage 2 or 3	828,431	(809,023)	(19,408)		
Transfers to Stage 2 from Stage 1 or 3	(592,495)	598,620	(6,125)		
Transfers to Stage 3 from Stage 1 or 2	(18,789)	(22,302)	41,091		
New off-balance sheet items originated or purchased	395,524				395,524
Foreign exchange, repayment and other movements	12,397	(83,170)	(101,879)	(995)	(173,647)
<b>Balance 31.12.2018</b>	<b>6,302,999</b>	<b>291,079</b>	<b>339,479</b>	<b>2,163</b>	<b>6,935,720</b>
Accumulated allowance for impairment losses	(15,176)	(3,815)	(73,069)	(161)	(92,221)
<b>Balance of off balance sheet items 31.12.2018</b>	<b>6,287,823</b>	<b>287,264</b>	<b>266,410</b>	<b>2,002</b>	<b>6,843,499</b>

### Reconciliation of accumulated allowance for impairment losses of off-balance sheet items by IFRS 9 Stage

The Group has recognized expected credit losses for the undrawn credit limits and letters of credit and letters of guarantee, the reconciliation of which is presented in the following table:

	Stage 1	Stage2	Stage 3	Purchased or originated credit impaired loans (POCI)	Total
<b>Changes of period 1.1. - 31.12.2018</b>					
<b>Balance 1.1.2018</b>	<b>9,798</b>	<b>5,609</b>	<b>94,690</b>	<b>1</b>	<b>110,098</b>
Transfers to Stage 1 from Stage 2 or 3	6,878	(5,169)	(1,710)	1	
Transfers to Stage 2 from Stage 1 or 3	(691)	1,020	(329)		
Transfers to Stage 3 from Stage 1 or 2	(259)	(580)	839		
Net remeasurement of loss allowance (a)	(2,742)	2,259	8,056	3	7,576
Impairment losses on new off-balance sheet items (b)	1,240				1,240
Changes in risk parameters (c)	1,320	237	(28,485)	156	(26,772)
<b>Impairment losses on off - balance sheet items (a+b+c)</b>	<b>(182)</b>	<b>2,496</b>	<b>(20,429)</b>	<b>159</b>	<b>(17,956)</b>
Foreign exchange and other movements	(368)	439	8		79
<b>Balance 31.12.2018</b>	<b>15,176</b>	<b>3,815</b>	<b>73,069</b>	<b>161</b>	<b>92,221</b>

**Advances to customers**

Advances to customers derive mainly from Group's commercial activity other than lending, including mainly receivables from letters of guarantee, receivables from credit cards and other receivables from banking activities. The calculation of expected credit losses for the receivables that are exposed to credit risk, is being performed using the simplified approach, taking into account their lifetime (without being allocated into stages) as provided by IFRS 9.

The expected credit loss rate applied by the Group was determined based on the assessment of expected credit losses taking into account the time that the aforementioned receivables, which are mainly short-term, remain due.

Advances to customers as at 31.12.2018 amounted to € 220,988, while expected credit losses amounted to € 31,862.

The following table presents the reconciliation of advances to customers:

<b>Balance 1.1.2018</b>	<b>235,047</b>
Repayments, foreign exchange and other movements	(14,059)
<b>Balance 31.12.2018</b>	<b>220,988</b>
Accumulated allowance for impairment losses	(31,862)
<b>Balance of advances to customers 31.12.2018</b>	<b>189,126</b>

The reconciliation of the accumulated allowance is shown below:

<b>Balance 1.1.2018</b>	<b>30,148</b>
Impairment losses on advances to customers	15,218
Foreign exchange, write-offs and other movements	(13,504)
<b>Balance 31.12.2018</b>	<b>31,862</b>



## PLEDGED COLLATERALS

Collaterals are received both for Wholesale and Retail lending in order to mitigate credit risk that may arise from the obligor's inability to fulfill his contractual obligations.

Collaterals include all kind of assets and rights which are made available to the Group either by their debtors or by third parties, in order to be used as complementary liquidity sources of relative loans.

The breakdown of collaterals and guarantees received to reduce the credit risk exposure is shown below:

### Breakdown of collaterals and guarantees

31.12.2018										
	Value of collateral									
	Loans measured at fair value through profit or loss(FVPL)					Loans measured at amortised cost				
	Real estate collateral	Financial collateral	Other collateral	Total value of collateral	Value of Guarantees	Real estate collateral	Financial collateral	Other collateral	Total value of collateral	Value of Guarantees
Retail lending			1,152	1,152		17,205,429	184,570	805,949	18,195,948	4,463,669
Corporate lending	78,920	870	177,748	257,538	17,918	7,158,404	1,539,881	4,909,691	13,607,976	4,890,606
Public sector						39,927	24,884	124,560	189,371	87,316
<b>Total</b>	<b>78,920</b>	<b>870</b>	<b>178,900</b>	<b>258,690</b>	<b>17,918</b>	<b>24,403,760</b>	<b>1,749,335</b>	<b>5,840,200</b>	<b>31,993,295</b>	<b>9,441,591</b>

There are no cases of transfer or reassignment of collateral received from borrowers for which a return obligation has been recognized.

### Loan-to-value ratio (LTV) of Mortgage lending

The loan-to-value ratio of loans reflects the relationship between the loan and the value of the property held as collateral.

The table below presents the mortgage loan portfolio by LTV ratio.

31.12.2018	
	Loans measured at amortised cost
< 50%	1,307,223
50% - 70%	1,772,974
71% - 80%	1,174,578
81% - 90%	1,242,447
91% - 100%	3,398,944
101% - 120%	2,085,857
121% - 150%	2,073,477
> 150%	5,505,021
<b>Total exposure</b>	<b>18,560,521</b>
Simple average LTV (%)	88



## REPOSSESSED ASSETS

### Policy of disposal of repossessed assets

Up to 2018, the Group had delegated to its subsidiary, the management of all its property, including the repossessed assets. Within 2018 the Group created a uniform management strategy for repossessed assets by setting up two new Committees and assigning to a Group Company the management of all the repossessed properties of the Bank and its Subsidiaries. When the Group acquires the legal title of properties in the context of the management of non-performing exposures (NPEs), the respective company is in charge of monitoring the repossession procedures (asset on – boarding), determining the best property management strategy and assigning to the appropriate channels, within or outside the Group, the management of the properties.

Depending on the defined strategy, the property is classified for accounting purposes, in the appropriate category. The classification process is repeated periodically so that the classification of each property is updated based on its current status.

Finally, there is continuous supervision and co-ordination of collaborating asset management channels on the implementation of the defined strategies as well as of the asset commercialization in accordance with the Group's policy and monitoring of their performance through appropriate Key Performance Indicators (KPIs).

	31.12.2018						
	Balance					Disposals during the year	
	Value of collaterals repossessed 31.12.2018	Of which in 2018	Accumulated impairment allowance 31.12.2018	Of which in 2018	Carrying amount of collaterals repossessed 31.12.18	Net disposal value	Net gain/ (loss) on disposal
Real estate	1,018,179	118,917	219,753	37,239	798,426	50,659	1,229
Other collaterals	8,569	7,223	71	-	8,498	1,680	188

The carrying amount of the repossessed collaterals as of 31.12.2018, includes an amount of € 130,681 that relates to properties classified as "Assets held for sale".



## Loans and Expected credit risk losses by IFRS 9 Stage, industry and geographical region

		Greece										Other countries					
		Loans measured at amortised cost					Loans measured at amortised cost					Loans measured at amortised cost					
Loans measured at fair value through profit or loss (FVPL)		Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired loans (POCI)	Carrying amount (before provision for impairment losses)	Expected credit losses	Net carrying amount	Net amount	Loans measured at fair value through profit or loss (FVPL)	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired loans (POCI)	Carrying amount (before provision for impairment losses)	Expected credit losses	Net carrying amount
Net amount																	
<b>Retail lending</b>	<b>1.152</b>	<b>6.003.575</b>	<b>4.014.485</b>	<b>10.280.307</b>	<b>5.228.269</b>	<b>25.526.636</b>	<b>6.009.767</b>	<b>19.516.869</b>	-	<b>1.572.385</b>	<b>424.972</b>	<b>1.758.487</b>	<b>266.522</b>	<b>4.022.366</b>	<b>1.122.018</b>	<b>2.900.348</b>	
Mortgage		4.083.865	2.978.267	5.130.771	2.975.809	15.168.712	2.312.728	12.855.984		1.309.515	348.604	1.523.683	210.008	3.591.810	948.067	2.443.743	
Consumer	1.152	563.850	379.260	1.737.594	1.244.239	3.924.943	1.569.476	2.355.467		222.711	65.434	185.807	46.038	519.990	144.918	375.072	
Credit cards		932.401	97.500	235.473	53.619	1.318.993	265.414	1.053.579		25.970	4.231	8.299	34	38.534	6.959	31.575	
Small Business		423.459	559.458	3.176.469	954.602	5.113.988	1.862.149	3.251.839		14.189	6.703	40.698	10.442	72.032	22.074	49.958	
<b>Corporate lending</b>	<b>145.418</b>	<b>8.469.347</b>	<b>645.735</b>	<b>5.655.802</b>	<b>1.068.879</b>	<b>15.839.763</b>	<b>3.761.854</b>	<b>12.077.909</b>	<b>171.891</b>	<b>2.709.049</b>	<b>833.915</b>	<b>1.586.872</b>	<b>331.446</b>	<b>5.461.282</b>	<b>1.081.671</b>	<b>4.379.611</b>	
Financial institutions	51.444	316.722	10.674	3.895	4.705	335.996	8.454	327.542		100.922	6.907	22.931	1.316	132.076	9.520	122.556	
Manufacturing	16.232	2.923.483	46.859	1.618.447	349.173	4.937.962	1.108.323	3.829.639	8.317	172.945	54.012	53.435	12.664	293.056	39.159	253.897	
Construction and real estate	1.991	980.373	322.857	874.862	191.470	2.369.562	650.505	1.719.057	21.450	764.399	273.543	1.138.957	215.082	2.391.981	780.529	1.611.452	
Wholesale and retail trade	9.205	1.873.780	96.075	1.987.633	302.335	4.259.823	1.276.725	2.983.098		204.301	92.492	95.069	19.128	410.990	64.098	346.892	
Transportation		241.743	4.329	118.461	2.580	367.113	63.694	303.419	33.539	101.746	93.678	9.448	213	205.085	7.067	198.018	
Shipping	56.115	46.368	15.133	14.606	26.601	102.708	3.871	98.837	108.585	1.138.943	217.467	108.803	8.709	1.473.922	56.336	1.417.586	
Hotels-Tourism		1.113.721	125.507	353.470	37.224	1.629.922	156.001	1.473.921		100.994	31.534	55.555	41.282	229.365	31.680	197.685	
Services and other sectors	10.431	973.157	24.301	684.428	154.791	1.836.677	494.281	1.342.396		124.799	64.282	102.674	33.052	324.807	93.282	231.525	
Public sector		774.778	27.696	4.274	29.901	836.649	50.759	785.890		59.826	578			60.404	299	60.105	
<b>Total</b>	<b>146.570</b>	<b>15.247.700</b>	<b>4.687.916</b>	<b>15.940.383</b>	<b>6.327.049</b>	<b>42.203.048</b>	<b>9.822.380</b>	<b>32.380.668</b>	<b>171.891</b>	<b>4.341.260</b>	<b>1.259.465</b>	<b>3.345.359</b>	<b>597.968</b>	<b>9.544.052</b>	<b>2.203.988</b>	<b>7.340.064</b>	



### Interest income from loans by loan category and IFRS 9 Stage

The following table presents the interest income from loans for the year 2018 per IFRS 9 Stage.

For loans classified in Stages 1 and 2, interest income is calculated by applying the effective interest rate to the gross carrying amount of the loan.

For loans classified in Stage 3, interest income is calculated by applying the effective interest rate on the amortised cost of the loan (i.e. gross carrying amount after impairment), while for Purchased or Originated Credit Impaired loans (POCI) interest income is calculated by applying the adjusted effective interest rate to the amortised cost of the loan.

	31.12.2018					
	Loans measured at amortised cost					Loans measured at fair value through profit or loss (FVPL)
	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired loans (POCI)	Total	
Retail lending	389,623	257,318	383,138	151,037	1,181,116	76
Corporate lending	416,217	125,858	153,102	28,311	723,488	13,204
Public sector	27,455	15,989	348	152	43,944	
<b>Total interest income</b>	<b>833,295</b>	<b>399,165</b>	<b>536,588</b>	<b>179,500</b>	<b>1,948,548</b>	<b>13,280</b>



## FORBORNE LOANS

The restructuring of loans is performed through renegotiation of the original contractual terms and include changes such as:

- Extension of the credit duration
- Write-off of a portion of debtor's amounts due
- Grace period for the principal and/or interests
- Decrease in interest rate

As a rule forbearance measures which are extended include a combination of the above amendments to the contractual terms.

In addition, in the context of renegotiations of the terms of loans granted, the Group has participated in agreements for the exchange of debt securities or loans with debtors' shares. As at 31.12.2018, the Group included in the portfolio measured at fair value through other comprehensive income shares with a fair value of € 30,149 which were acquired from similar transactions. The shares that have been classified as "Assets held for sale" concern Selonda Aquaculture A.E.G.E., Nireus Aquaculture S.A, Forthnet S.A. and Unisoft S.A. (note 49).

### Analysis of forborne loans by type of forberance measure

31.12.2018			
	Loans measured at fair value through profit or loss (FVPL)	Loans measured at amortised cost	Total
Interest only payment		196,973	196,973
Reduce payments scheme	14	5,302,947	5,302,961
Grace period	2,242	511,164	513,406
Loan term extension	3,144	3,934,035	3,937,179
Arrears capitalization	3,959	2,034,745	2,038,704
Partial write-off in borrower's obligations	56,117	565,534	621,651
Debt for equity transactions		47,558	47,558
Other	11,202	652,900	664,102
<b>Total net amount</b>	<b>76,678</b>	<b>13,245,856</b>	<b>13,322,534</b>

### Forborne loans by product line

31.12.2018			
	Loans measured at fair value through profit or loss (FVPL)	Loans measured at amortised cost	Total
<b>Retail lending</b>	-	<b>10,099,450</b>	<b>10,099,450</b>
Mortgage		7,014,414	7,014,414
Consumer		1,484,669	1,484,669
Credit cards		51,587	51,587
Small Business		1,548,780	1,548,780
<b>Corporate lending</b>	<b>76,678</b>	<b>3,112,558</b>	<b>3,189,236</b>
Large	66,916	1,860,339	1,927,255
SME's	9,762	1,252,219	1,261,981
<b>Public sector</b>	-	<b>33,848</b>	<b>33,848</b>
Greece		33,848	33,848
<b>Total net amount</b>	<b>76,678</b>	<b>13,245,856</b>	<b>13,322,534</b>



**Forborne loans by geographical region**

<b>31.12.2018</b>			
	Loans measured at fair value through profit or loss (FVPL)	Loans measured at amortised cost	Total
Greece	67,123	11,585,455	11,652,578
Other countries	9,555	1,660,401	1,669,956
<b>Total net amount</b>	<b>76,678</b>	<b>13,245,856</b>	<b>13,322,534</b>

**Forborne loans according to their credit quality**

<b>31.12.2018</b>			
	Total amount of Loans	Total amount of Forborne Loans	Percentage of Forborne Loans (%)
<b>Loans measured at fair value through profit or loss (FVPL)</b>			
Past due	17,257	1,246	7
Not past due	301,204	75,432	25
<b>Total net carrying amount</b>	<b>318,461</b>	<b>76,678</b>	<b>24</b>
Value of collaterals	258,690	63,496	25
<b>Loans measured at amortised cost</b>			
Stage 1	19,588,960		
Stage 2	5,947,381	4,527,511	76
Stage 3	19,285,742	10,547,829	55
Purchased or originated credit impaired loans (POCI)	6,925,017	3,882,527	56
<b>Carrying amount (before provision for impairment losses)</b>	<b>51,747,100</b>	<b>18,957,867</b>	<b>37</b>
Stage 1 - Accumulated provision for impairment losses	140,620		
Stage 2 - Accumulated provision for impairment losses	281,964	214,031	76
Stage 3 - Accumulated provision for impairment losses	8,961,872	4,306,337	48
Accumulated provision for impairment losses for purchased or originated credit impaired loans (POCI)	2,641,912	1,191,643	45
<b>Total net carrying amount</b>	<b>39,720,732</b>	<b>13,245,856</b>	<b>33</b>
Value of collaterals	31,993,295	11,214,013	35

**Reconciliation of forborne loans**

<b>Forborne loans (Net Value):</b>			
	<b>Loans measured at fair value through profit or loss (FVPL)</b>	<b>Loans measured at amortised cost</b>	<b>Total</b>
<b>Balance 1.1.2018</b>	<b>237,172</b>	<b>13,270,809</b>	<b>13,507,981</b>
Forbearance measures during the year		1,816,321	1,816,321
Interest income	5,426	502,810	508,236
Repayment of loans (partial or total)	(8,631)	(664,630)	(673,261)
Loans that exited forbearance status during the year	(93,131)	(820,293)	(913,424)
Impairment losses		(609,765)	(609,765)
Disposal of forborne loans		(4,943)	(4,943)
Remeasurement of fair value	(41,309)		(41,309)
Reclassification of loans to "Assets held for sale"	(25,645)	(147,833)	(173,478)
Other movements	2,796	(96,620)	(93,824)
<b>Balance 31.12.2018</b>	<b>76,678</b>	<b>13,245,856</b>	<b>13,322,534</b>

**Other financial instruments subject to credit risk – analysis per rating**

The following table presents other financial assets measured at amortised cost and at fair value through other comprehensive income as at 31.12.2018 per IFRS 9 Stage and credit rating:

	31.12.2018				
	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired (POCI)	Total
<b>Balances with Central Banks</b>					
AAA	93,000				93,000
AA+ to AA-					-
A+ to A-					-
BBB+ to BBB-	513,698				513,698
Lower than BBB-	907,340				907,340
Unrated					-
<b>Carrying amount (before allowance for impairment losses)</b>	<b>1,514,038</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,514,038</b>
Expected credit losses	(92)				(92)
<b>Net carrying amount</b>	<b>1,513,946</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,513,946</b>
Value of collateral					
<b>Due from banks</b>					
AAA					-
AA+ to AA-	653,360				653,360
A+ to A-	879,012				879,012
BBB+ to BBB-	820,537				820,537
Lower than BBB-	78,888				78,888
Unrated	68,859				68,859
<b>Carrying amount (before allowance for impairment losses)</b>	<b>2,500,656</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,500,656</b>
Expected credit losses	(164)				(164)
<b>Net carrying amount</b>	<b>2,500,492</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,500,492</b>
Value of collateral					
<b>Securities measured at fair value through other comprehensive income</b>					
AAA	111,789				111,789
AA+ to AA-	1,151,935				1,151,935
A+ to A-	190,895				190,895
BBB+ to BBB-	1,016,894				1,016,894
Lower than BBB-	4,352,641	9,157			4,361,798
Unrated	80,217				80,217
<b>Carrying amount (before allowance for impairment losses)</b>	<b>6,904,371</b>	<b>9,157</b>			<b>6,913,528</b>
Expected credit losses	(57,233)	(241)			(57,474)
<b>Net carrying amount</b>	<b>6,847,138</b>	<b>8,916</b>			<b>6,856,054</b>
Value of collateral					



### Trading portfolio - Derivative financial assets - Securities measured at fair value through profit or loss - analysis per rating

The following table presents other financial instruments measured through profit or loss per credit rating.

	2018
<b>Trading securities</b>	
AAA	
AA+ to AA-	
A+ to A-	
BBB+ to BBB-	
Lower than BBB-	6,669
Unrated	
<b>Net carrying amount</b>	<b>6,669</b>
Value of collateral	
<b>Derivative financial assets</b>	
AAA	
AA+ to AA-	48,051
A+ to A-	152,958
BBB+ to BBB-	48,039
Lower than BBB-	472,996
Unrated	3,129
<b>Net carrying amount</b>	<b>725,173</b>
Value of collateral	
<b>Securities measured at fair value through profit or loss</b>	
AAA	
AA+ to AA-	9,084
A+ to A-	
BBB+ to BBB-	
Lower than BBB-	6,780
Unrated	7,146
<b>Net carrying amount</b>	<b>23,010</b>
Value of collateral	

**DUE FROM BANKS**

The following table presents Due from Banks by IFRS 9 Stage as of 31.12.2018.

<b>31.12.2018</b>					
	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired Receivables (POCI)	Total
<b>Balance 31.12.2018</b>					
Carrying amount (before allowance for impairment losses)	2,500,656		69,961		2,570,617
Expected credit losses	(164)		(69,961)		(70,125)
<b>Net carrying amount</b>	<b>2,500,492</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,500,492</b>

**Investment securities measured at fair value through other comprehensive income**

The following table presents the analysis by IFRS 9 Stages and issuer's category as of 31.12.2018:

<b>31.12.2018</b>					
	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired securitites (POCI)	Total
<b>Greek Government Bonds</b>					
Expected credit losses	(52,247)				(52,247)
Fair value	3,760,627				3,760,627
<b>Other Governments Bonds</b>					
Expected credit losses	(976)				(976)
Fair value	1,330,072				1,330,072
<b>Other securities</b>					
Expected credit losses	(4,010)	(241)			(4,251)
Fair value	1,756,438	8,916			1,765,354
<b>Total securities measured at fair value through other comprehensive income</b>					
<b>Expected credit losses</b>	<b>(57,233)</b>	<b>(241)</b>	<b>-</b>	<b>-</b>	<b>(57,474)</b>
<b>Fair value</b>	<b>6,847,137</b>	<b>8,916</b>	<b>-</b>	<b>-</b>	<b>6,856,053</b>

**Reconciliation of other financial assets (except loans) before allowance for impairment losses by IFRS 9 Stage**

The table below presents the movement of the carrying amount before allowance for impairment losses of due from banks and the movement of the fair value of investment securities measured at fair value through other comprehensive income, including the expected credit losses per IFRS 9 Stage.

31.12.2018										
	Due from banks					Investment securities measured at fair value through other comprehensive income				
	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired receivables (POCI)	Total	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired securities (POCI)	Total
<b>Balance 1.1.2018</b>	<b>1,718,369</b>	-	<b>69,961</b>	-	<b>1,788,330</b>	<b>5,695,774</b>	<b>28,832</b>			<b>5,724,606</b>
Transfers to Stage 1 from Stage 2 or 3					-	235	(235)			-
Transfers to Stage 2 from Stage 1 or 3					-					-
Transfers to Stage 3 from Stage 1 or 2					-					-
New financial assets originated or purchased	4,928,735				<b>4,928,735</b>	7,128,363				<b>7,128,363</b>
Derecognition of financial assets					-	(2,939,218)	(20,646)			<b>(2,959,864)</b>
Interest on carrying amount before impairment	37				<b>37</b>	163,586	1,037			<b>164,623</b>
Changes due to modifications that did not result in derecognition					-					-
Write-off					-					-
Repayments and other movements	(4,146,485)				<b>(4,146,485)</b>	(3,201,603)	(72)			<b>(3,201,675)</b>
<b>Balance 31.12.2018</b>	<b>2,500,656</b>	-	<b>69,961</b>	-	<b>2,570,617</b>	<b>6,847,137</b>	<b>8,916</b>	-	-	<b>6,856,053</b>



### Reconciliation of the accumulated impairment allowance

The table below presents the movement of the accumulated impairment of due from banks and investment securities measured at fair value through other comprehensive income per IFRS 9 Stage.

31.12.2018										
	Due from banks					Investment securities measured at fair value through other comprehensive income				
	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired (POCI)	Total	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired (POCI)	Total
<b>Balance 1.1.2018</b>	274	-	69,961	-	70,235	84,312	3,099			87,411
Transfers to Stage 1 from Stage 2 or 3					-	13	(13)			-
Transfers to Stage 2 from Stage 1 or 3					-					-
Transfers to Stage 3 from Stage 1 or 2					-					-
Net remeasurement of loss allowance (a)					-	(3)				(3)
Impairment losses on new receivables/ securities (b)	(3)				(3)	48,467				48,467
Change in credit risk parameters (c)	(15)				(15)	(39,283)	(1,790)			(41,073)
<b>Impairment losses receivables/ securities (a)+(b)+(c)</b>	<b>(18)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(18)</b>	<b>9,181</b>	<b>(1,790)</b>	<b>-</b>	<b>-</b>	<b>7,391</b>
Derecognition of financial assets					-	(36,273)	(1,055)			(37,328)
Foreign exchange and other movements	(92)				(92)					-
<b>Balance 31.12.2018</b>	<b>164</b>	<b>-</b>	<b>69,961</b>	<b>-</b>	<b>70,125</b>	<b>57,233</b>	<b>241</b>	<b>-</b>	<b>-</b>	<b>57,474</b>

An additional impairment charge of € 184 has been recognized in the income statement in Stage 1, regarding new securities measured at fair value through other comprehensive income purchased before 31.12.2018 and settled after 31.12.2018.



The following tables present the financial instruments exposed to credit risk by sectors of the counterparties

## Financial instruments credit risk

### Analysis by industry sector

31.12.2018											
	Financial Institution and other financial services	Manufacturing	Construction & Real Estate	Wholesale and retail trade	Public sector Government securities	Transportation	Shipping	Hotels-Tourism	Services and other sectors	Retail and small businesses	Total
<b>Credit risk exposure relating to balance sheet items:</b>											
Balances with Central Banks	1,514,038										1,514,038
Due from banks	2,570,617										2,570,617
Loans and advances to customers	519,516	5,255,567	4,784,984	4,680,018	897,053	605,737	1,741,330	1,859,287	2,296,054	29,647,003	52,286,549
Derivative financial assets	179,984	8,999	78,676	15,187	429,309	39	540	8,486	3,952	1	725,173
Trading securities					6,669						6,669
Securities measured at fair value through other comprehensive income	1,480,187	155,072	1,330	36,201	5,143,922				96,815		6,913,527
Securities measured at fair value through profit or loss	13,239			688	9,084						23,011
Assets held for sale - Loans portfolio		3,200	76,369								79,569
<b>Total amount of balance sheet items exposed to credit risk (a)</b>	<b>6,277,581</b>	<b>5,422,838</b>	<b>4,941,359</b>	<b>4,732,094</b>	<b>6,486,037</b>	<b>605,776</b>	<b>1,741,870</b>	<b>1,867,773</b>	<b>2,396,821</b>	<b>29,647,004</b>	<b>64,119,153</b>
Other balance sheet items not exposed to credit risk	520,910	844	189,141	3				2,200	8,748,188		9,461,286
<b>Total assets</b>	<b>6,798,491</b>	<b>5,423,682</b>	<b>5,130,500</b>	<b>4,732,097</b>	<b>6,486,037</b>	<b>605,776</b>	<b>1,741,870</b>	<b>1,869,973</b>	<b>11,145,009</b>	<b>29,647,004</b>	<b>73,580,439</b>
<b>Credit risk exposure relating to off-balance sheet items:</b>											
Letters of guarantee, letters of credit and other guarantees	403,880	433,170	1,122,657	537,735	114,744	79,379	8,313	65,801	492,448	144,659	3,402,786
Undrawn loan agreements and credit limits	11,793	601,149	167,254	558,988	7,929	24,384	5,141	75,096	189,139	1,892,062	3,532,935
<b>Total amount of off-balance sheet items exposed to credit risk (b)</b>	<b>415,673</b>	<b>1,034,319</b>	<b>1,289,911</b>	<b>1,096,723</b>	<b>122,673</b>	<b>103,763</b>	<b>13,454</b>	<b>140,897</b>	<b>681,587</b>	<b>2,036,721</b>	<b>6,935,721</b>
<b>Total credit risk exposure (a+b)</b>	<b>6,693,254</b>	<b>6,457,157</b>	<b>6,231,270</b>	<b>5,828,817</b>	<b>6,608,710</b>	<b>709,539</b>	<b>1,755,324</b>	<b>2,008,670</b>	<b>3,078,408</b>	<b>31,683,725</b>	<b>71,054,874</b>





## COMPARATIVES

Credit risk disclosures as at 31.12.2017 and for the year 2017 have been prepared using exposures measured in accordance with IAS 39.

The main differences between IAS 39 and IFRS 9 relate to the following:

- the definition of impaired exposures and
- the calculation of impairments which according to IAS 39, was based on incurred credit losses, while the IFRS 9 requires the recognition of Expected Credit Losses.

Based on IAS 39, impaired loans were defined as follows:

- a) Exposures for which an impairment amount has been allocated following the individual assessment for impairment;
- b) Exposures in arrears more than 90 days or under legal workout status, for which an impairment amount has been allocated following the collective assessment for impairment;
- c) Unlikely to pay exposures; and
- d) Forborne Non Performing Exposures that are up to 89 days past due.

IAS 39 required the recognition of credit risk losses when losses have occurred. The main highlights of the impairment policy based on IAS 39 methodology are the following:

### Wholesale banking

The Group assesses whether objective evidence for individual assessment for impairment exists. Significant loans are assessed individually if one of the following conditions are met:

- Clients that are experiencing or about to experience difficulties in meeting their financial commitments and credit obligations ("financial difficulty").
- Clients with credit risk rating D, D0, D1, D2 and E.
- Clients with credit risk rating CC- and C.
- Significant deterioration in the industry outlook in which the borrower operates taking into account the five sectors that have had the worst deterioration on an annual basis, according to the high risk sectors' segmentation .
- Derogatory items including but not limited to : payment orders, bounced cheques, auctions, bankruptcies, overdue payments to the State, to Social Security Funds, or to employees.
- Occurrence of unexpected, extreme events such as natural disasters, fraud, etc.
- Interventions and actions by regulatory bodies/local authorities against the borrower (e.g. Athens Stock Exchange, Hellenic Capital Market Commission).
- Breach of contractual terms and conditions.
- Adverse changes in the shareholders' structure or the management of the company or serious management issues/problems.
- Significant adverse changes in cash flows potentially due to ceased cooperation with a key/major customer, significant reduction in demand of a main product or service, ceased cooperation with a key/major supplier or suppliers cut credit, etc.
- Significant deterioration of financial ratios of the obligor (Reduction of equity due to losses, debt ratio etc) and of estimated future cash flows of the obligor.

Exposures that have been individually assessed and were found not to be impaired on an individual basis are subsequently assessed for impairment on a collective basis, and grouped in pools based on common credit risk characteristics.

Collective assessment is performed for exposures as follows:

- Exposures that have been individually assessed and were found not to be impaired on an individual basis -the



impairment allowance estimated was zero- are subsequently assessed for impairment on a collective basis, and grouped in pools based on common credit risk characteristics.

- Exposures with no impairment triggers and therefore are assessed collectively in pools formed based on similar credit risk characteristics.

### **Retail Banking**

For provision purposes, under collective assessment, loans are separated based on similar credit risk characteristics. These characteristics are selected based on the future cash flows of the abovementioned Retail Banking loan categories which depict customers' ability to repay their debts according to the contractual agreements. Loss Rate is calculated based on credit risk characteristics of the segment and portfolio in which the facility or the customer belongs to. The Loss Rate is determined with statistical methods.

### **Collective assessment**

The specific trigger events for the collective assessment for the Retail Banking portfolios are the following:

- Accounts up to 89 days past due with or without signs of unlikeliness to pay;
- Accounts more than 90 days past due;
- Forborne exposures; and
- Accounts with partial write off

Trigger events have also been determined for the individual assessment of Retail Banking portfolio.

Detailed analysis of the methodology applied in calculating impairment and the relevant definitions prevailed are presented in Note 41.1 in the Group's Financial Statements as at 31.12.2017.

### **DUE FROM BANKS**

Exposure to credit institutions relates to loans, interbank transactions (which include positions in derivatives) and International Trade activities. Following the basic rules of designation, monitoring and revision of corporate lending, boundaries are established by the relevant Credit Committees for the monitoring of credit risk for the overall exposure per credit institution counterparty, excluding positions related to bonds issued by them. The approved credit limits are monitored on a daily basis. The validity period of the limits is specified in the approval of the limits in accordance with the counterparty credit institutions rating from international credit rating agencies.

In addition to the regular revisions of counterparty credit institutions limits, interim revisions may be carried out either due to circumstances associated with the trading activity of the Group or due to markets conditions or problems associated with counterparty credit institutions. Trigger events for an extraordinary review are regularly monitored per counterparty in order to review the relevant limits when such trigger events exist.

In addition, at each reporting date an impairment test is performed as follows:

1. The respective credit institutions are separated to be tested for impairment.
2. Due from Banks will be evaluated individually by credit institution.
3. Credit institutions are reviewed for events that constitute objective evidences for impairment.
4. Impairment provisions per receivable are calculated, as the difference between the recoverable amount and the carrying amount of the claim on an individual basis for the credit institution for which there are objective evidence for impairment.

### **INVESTMENTS IN DEBT SECURITIES**

Investments in debt securities relate to securities that are classified into loans and receivables portfolios, held to maturity and available for sale. If there is a loan relationship with the counterparty issuer at the time of classification of the security



position as investment, the Corporate Credit Policy procedures apply. In each case, the classification of the position is subject for approval by the relevant Committee of the Group. These positions are subject to Group investment limits and country limits and are monitored on a daily basis.

In addition, at each reporting date an impairment test is performed as follows:

1. The respective securities are separated to be tested for impairment individually.
2. Securities are reviewed for events that constitute objective evidence for impairment losses.
3. Impairment provisions are calculated on an individual basis per each security, for which there are objective evidences that impairment losses exist, as: a) the difference between the present value of future cash flows and the carrying amount of securities that are classified into loans and receivables portfolio and held to maturity and b) the difference between acquisition costs and current fair value, less the impairment loss which has already been recognized in income statement for securities classified as available for sale.

## FINANCIAL INSTRUMENTS CREDIT RISK

The maximum credit risk per category, in which the Group is exposed, is depicted in the “Net exposure to credit risk”.

	31.12.2017		
	Exposure before impairment	Impairment	Net exposure to credit risk
<b>A. Credit risk exposure relating to balance sheet items</b>			
Balances with central Banks	1,203,389		1,203,389
Due from Banks	1,757,610	41,961	1,715,649
Loans and advances to customers measured at amortised cost	56,612,220	13,294,027	43,318,193
<b>Total</b>	<b>56,612,220</b>	<b>13,294,027</b>	<b>43,318,193</b>
Derivative financial assets	622,536		622,536
Trading securities:			
- Government bonds	5,969		5,969
<b>Total</b>	<b>5,969</b>	<b>-</b>	<b>5,969</b>
Available for sale securities:			
- Available for sale (Government bonds)	4,460,302		4,460,302
- Available for sale (other)	1,277,313		1,277,313
<b>Total</b>	<b>5,737,615</b>	<b>-</b>	<b>5,737,615</b>
Held to maturity securities:			
- Held to maturity (Government bonds)	10,551		10,551
- Held to maturity (other)	319		319
<b>Total</b>	<b>10,870</b>	<b>-</b>	<b>10,870</b>
Loans and receivables (HFSF)			-
Assets held for sale - Loans and advances to customers	1,303,367	1,090,108	213,259
<b>Total amount of balance sheet items exposed to credit risk (a)</b>	<b>67,253,576</b>	<b>14,426,096</b>	<b>52,827,480</b>
Other balance sheet items not exposed to credit risk	8,506,455	526,149	7,980,306
<b>Total Assets</b>	<b>75,760,031</b>	<b>14,952,245</b>	<b>60,807,786</b>
<b>B. Credit risk exposure relating to off balance sheet items:</b>			
Letters of guarantee, letters of credit and other guarantees	3,384,963	787	3,384,176
<b>Total amount of off balance sheet items exposed to credit risk (b)</b>	<b>3,384,963</b>	<b>787</b>	<b>3,384,176</b>
<b>Total credit risk exposure (a+b)</b>	<b>70,638,539</b>	<b>14,426,883</b>	<b>56,211,656</b>



## LOANS AND ADVANCES TO CUSTOMERS

The accumulated provision for impairment, for disclosure purposes of credit risk as well as for the monitoring of credit risk, includes the adjustment for the contractual loans which were acquired at fair value during the acquisition of assets or companies (i.e. Emporiki Bank and Citibank's retail operations in Greece), since the Group monitors the respective adjustment as part of the provisions. It is noted that in note 19 "Loans and Advances to customers", this adjustment is deducted from the gross balance of loans before impairment.

### Loans and advances to customers by asset quality (impaired or not impaired – impairment allowance – value of collateral)

31.12.2017									
	Non Impaired Loans and Advances		Impaired Loans and Advances		Total gross amount	Accumulated Impairment Allowance		Total net amount	Value of collateral
	Neither past due nor impaired	Past due but not impaired	Individually assessed	Collectively assessed		Individually assessed	Collectively assessed		
<b>Retail lending</b>	<b>11,037,149</b>	<b>2,819,773</b>	<b>557,565</b>	<b>17,692,107</b>	<b>32,106,594</b>	<b>320,681</b>	<b>7,167,343</b>	<b>24,618,570</b>	<b>19,903,257</b>
Mortgage	7,753,284	2,383,830	391,872	9,046,590	19,575,576	213,834	3,335,021	16,026,721	15,181,832
Consumer	1,332,546	235,624	159,149	3,282,983	5,010,302	103,649	1,509,613	3,397,040	1,332,210
Credit cards	1,105,350	86,752	900	436,237	1,629,239	622	268,772	1,359,845	91,701
Small Business	845,969	113,567	5,644	4,926,297	5,891,477	2,576	2,053,937	3,834,964	3,297,514
<b>Corporate lending</b>	<b>11,779,863</b>	<b>741,519</b>	<b>10,296,265</b>	<b>537,642</b>	<b>23,355,289</b>	<b>5,366,189</b>	<b>392,694</b>	<b>17,596,406</b>	<b>14,363,037</b>
Large	7,671,273	519,472	5,126,151	30,609	13,347,505	2,700,887	146,136	10,500,482	8,133,139
SME's	4,108,590	222,047	5,170,114	507,033	10,007,784	2,665,302	246,558	7,095,924	6,229,898
<b>Public sector</b>	<b>1,107,629</b>	<b>1,237</b>	<b>40,202</b>	<b>1,269</b>	<b>1,150,337</b>	<b>28,934</b>	<b>18,186</b>	<b>1,103,217</b>	<b>299,805</b>
Greece	1,034,442	909	40,202	1,269	1,076,822	28,934	16,586	1,031,302	295,394
Other countries	73,187	328			73,515		1,600	71,915	4,411
<b>Total</b>	<b>23,924,641</b>	<b>3,562,529</b>	<b>10,894,032</b>	<b>18,231,018</b>	<b>56,612,220</b>	<b>5,715,804</b>	<b>7,578,223</b>	<b>43,318,193</b>	<b>34,566,099</b>

The impaired loans and advances to customers of retail lending include as at 31.12.2017 forborne loans with up to 89 days past due collectively assessed, amounting to €4,710,831 .

Furthermore, the accumulated impairment allowance for collectively assessed loans and advances includes an amount of €602,135 concerning IBNR provisions on 31.12.2017.

### Analysis of neither past due nor impaired loans and advances to customers

31.12.2017					
	Strong	Satisfactory	Watch list (higher risk)	Total neither past due nor impaired	Value of collateral
<b>Retail lending</b>		<b>11,037,149</b>		<b>11,037,149</b>	<b>7,825,099</b>
Mortgage		7,753,284		7,753,284	6,844,117
Consumer		1,332,546		1,332,546	311,939
Credit cards		1,105,350		1,105,350	58,326
Small Business		845,969		845,969	610,717
<b>Corporate lending</b>	<b>3,005,691</b>	<b>7,651,303</b>	<b>1,122,869</b>	<b>11,779,863</b>	<b>7,811,582</b>
Large	2,382,702	4,470,479	818,092	7,671,273	4,993,322
SME's	622,989	3,180,824	304,777	4,108,590	2,818,260
<b>Public sector</b>	<b>340,923</b>	<b>766,161</b>	<b>545</b>	<b>1,107,629</b>	<b>281,690</b>
Greece	340,764	693,184	494	1,034,442	277,607
Other countries	159	72,977	51	73,187	4,083
<b>Total</b>	<b>3,346,614</b>	<b>19,454,613</b>	<b>1,123,414</b>	<b>23,924,641</b>	<b>15,918,371</b>



## Ageing analysis of past due but not impaired loans and advances to customers by product line

31.12.2017									
	Retail lending				Corporate lending		Public sector		Total past due but not impaired
	Mortgage	Consumer	Credit cards	Small Business	Large	SME's	Greece	Other countries	
1 - 29 days	1,611,180	158,321	67,799	87,574	395,400	167,894	901		2,489,069
30 - 59 days	430,024	53,038	12,601	14,549	30,002	20,472	8		560,694
60 - 89 days	342,626	24,264	6,352	11,444	71,169	23,299		328	479,482
90 - 179 days		1			1,291	201			1,493
180 - 360 days					6,879	1,294			8,173
> 360 days					14,731	8,887			23,618
<b>Total</b>	<b>2,383,830</b>	<b>235,624</b>	<b>86,752</b>	<b>113,567</b>	<b>519,472</b>	<b>222,047</b>	<b>909</b>	<b>328</b>	<b>3,562,529</b>
Value of collateral	2,007,174	52,363	1,190	73,677	366,702	175,379	8	328	2,676,821

## Ageing analysis of impaired loans and advances to customers by product line

31.12.2017									
	Retail lending				Corporate lending		Public sector		Total
	Mortgage	Consumer	Credit cards	Small Business	Large	SME's	Greece	Other countries	
Current	798,960	481,316	56,561	516,909	901,889	847,179	7,877		3,610,691
1 - 29 days	478,583	164,772	23,953	56,921	522,203	168,669	136		1,415,237
30 - 59 days	313,789	159,199	16,465	51,241	49,337	78,175	1,206		669,412
60 - 89 days	567,077	96,651	13,152	36,549	146,383	45,823			905,635
90 - 179 days	207,130	101,010	24,083	80,639	18,406	47,751			479,019
180 - 360 days	157,796	152,782	15,983	76,920	30,972	61,402	52		495,907
> 360 days	3,648,348	738,579	26,891	2,083,242	778,382	1,579,388	2,427		8,857,257
<b>Total net amount</b>	<b>6,171,683</b>	<b>1,894,309</b>	<b>177,088</b>	<b>2,902,421</b>	<b>2,447,572</b>	<b>2,828,387</b>	<b>11,698</b>	<b>-</b>	<b>16,433,158</b>
Value of collateral	6,330,541	967,908	32,185	2,613,120	2,773,115	3,236,259	17,779		15,970,907



## Reconciliation of the accumulated impairment allowance by product line

	31.12.2017								
	Retail lending				Corporate lending		Public sector		Total
	Mortgage	Consumer	Credit cards	Small Business	Large	SME's	Greece	Other countries	
<b>Balance 1.1.2017</b>	<b>9,450,284</b>	<b>4,081,713</b>	<b>505,919</b>	<b>5,730,086</b>	<b>6,143,515</b>	<b>6,187,512</b>	<b>41,925</b>	<b>-</b>	<b>32,140,954</b>
New impaired loans	951,000	404,307	58,162	320,257	424,460	461,276	733		2,620,195
Transfer to non-impaired loans	(406,264)	(157,333)	(6,895)	(192,334)	(95,926)	(124,771)			(983,523)
Repayments and recoveries from collaterals	(69,187)	(56,086)	(14,402)	(49,145)	(281,041)	(210,209)	(578)		(680,648)
Write-offs of impaired loans	(382,370)	(532,567)	(27,067)	(388,981)	(524,749)	(593,647)	(608)		(2,449,989)
Foreign exchange differences and other movements	(99,175)	64,445	(805)	(22,794)	(90,795)	(26,757)	(1)		(175,882)
Disposals of impaired loans	(5,826)	(10,398)	(2,529)		(92,992)	(1,024)			(112,769)
Loans classified as held for sale		(351,949)	(75,246)	(465,148)	(325,712)	(15,233)			(1,233,288)
<b>Balance 31.12.2017</b>	<b>9,438,462</b>	<b>3,442,132</b>	<b>437,137</b>	<b>4,931,941</b>	<b>5,156,760</b>	<b>5,677,147</b>	<b>41,471</b>	<b>-</b>	<b>29,125,050</b>
Accumulated impairment allowance	(3,266,779)	(1,547,823)	(260,049)	(2,029,520)	(2,709,188)	(2,848,760)	(29,773)		(12,691,892)
<b>Net amount of impaired loans and advances</b>	<b>6,171,683</b>	<b>1,894,309</b>	<b>177,088</b>	<b>2,902,421</b>	<b>2,447,572</b>	<b>2,828,387</b>	<b>11,698</b>	<b>-</b>	<b>16,433,158</b>

## Reconciliation of the accumulated impairment allowance

	31.12.2017			
	Retail lending	Corporate lending	Public sector	Total
<b>Balance 1.1.2017</b>	<b>6,833,509</b>	<b>5,696,349</b>	<b>28,395</b>	<b>12,558,253</b>
Impairment losses for the year	1,075,940	(44,644)	(2,773)	1,028,523
Reclassification to assets held for sale	(664,149)	(184,947)	(3)	(849,099)
Disposals of impaired loans	(14,081)	(56,346)		(70,427)
Change in present value of the allowance account	121,467	140,765	1,125	263,357
Foreign exchange differences	(48,829)	(45,689)		(94,518)
Loans written-off during the year	(1,205,997)	(745,943)	(124)	(1,952,064)
Reclassification between portfolios	33,207	(33,207)		-
Other Movements	58,876	95,383		154,259
<b>Balance 31.12.2017</b>	<b>6,189,943</b>	<b>4,821,721</b>	<b>26,620</b>	<b>11,038,284</b>
Fair value adjustments	1,298,081	937,162	20,500	2,255,743
<b>Balance 31.12.2017</b>	<b>7,488,024</b>	<b>5,758,883</b>	<b>47,120</b>	<b>13,294,027</b>



## Loan-to-value ratio (LTV) of mortgage lending

	<b>Mortgages</b>
	<b>31.12.2017</b>
< 50%	1,366,266
50% - 70%	1,857,748
71% - 80%	1,276,595
81% - 90%	1,293,315
91% - 100%	3,701,832
101% - 120%	2,219,568
121% - 150%	2,279,431
> 150%	5,580,822
<b>Total exposure</b>	<b>19,575,577</b>
Simple average LTV (%)	84

## REPOSSESSED COLLATERALS

### Policy of disposal of repossessed assets

The Group has assigned to a subsidiary of the Group the management of repossessed assets of Bank and Group's subsidiaries. When a Group company acquires, due to the debtor's default, the legal title of property which had been given as collateral for the respective asset, then the respective company is in charge of legal, accounting and tax settlement of property in cooperation with the competent Bank's division and in parallel, performs a valuation of the asset. Taking into account the characteristics of the asset and based on the market conditions, it assesses the ability of promoting it for sale or leasing. Based on the above assessment, a proposal is submitted to the responsible Committee, which decides the sale or leasing of the assets or their own use from a Group company. Based on the decision, the asset is classified into the suitable category for reporting purposes. Classification of assets is reassessed on a regular basis in order to ensure that the classification is in line with current market conditions.

### Repossessed collaterals

	<b>31.12.2017</b>						
	Balance Sheet balances					Disposals during the year	
	Value of collaterals repossessed 31.12.2017	Of which within 2017	Accumulated impairment allowance 31.12.2017	Of which within 2017	Carrying amount of collaterals repossessed 31.12.2017	Net disposal value	Net gain/(loss) on disposal
Real estate	952,869	60,090	191,990	43,467	760,879	38,311	1,959
Other collaterals	3,024	161	68	15	2,956	9,037	1,472

### Breakdown of collateral and guarantees

	<b>31.12.2017</b>				
	Value of collateral received				Guarantees received
	Real estate collateral	Financial collateral	Other collateral	Total value of collateral	
Retail lending	18,912,420	179,492	811,345	19,903,257	4,043,712
Corporate lending	8,248,417	1,487,489	4,627,131	14,363,037	5,926,219
Public sector	44,153	9,626	246,026	299,805	151,201
<b>Total</b>	<b>27,204,990</b>	<b>1,676,607</b>	<b>5,684,502</b>	<b>34,566,099</b>	<b>10,121,132</b>

There are no cases of transfer or repledge of collateral received from customer for which a liability to return has been recognized.



### Loans and advances to customers, impaired loans and impairment allowance by product line, industry and geographical region

31.12.2017*						
	Greece			Other Countries		
	Gross Amount	Impaired Amount	Accumulated impairment allowance	Gross Amount	Impaired Amount	Accumulated impairment allowance
<b>Retail lending</b>	<b>28,003,434</b>	<b>16,228,092</b>	<b>6,523,796</b>	<b>4,103,160</b>	<b>2,021,580</b>	<b>964,228</b>
Mortgage	16,099,512	7,712,166	2,742,989	3,476,064	1,726,296	805,866
Consumer	4,491,821	3,204,870	1,481,338	518,481	237,262	131,924
Credit cards	1,592,084	429,042	264,047	37,155	8,095	5,347
Small Business	5,820,017	4,882,014	2,035,422	71,460	49,927	21,091
<b>Corporate lending</b>	<b>17,394,085</b>	<b>8,252,475</b>	<b>4,211,358</b>	<b>5,961,204</b>	<b>2,581,432</b>	<b>1,547,525</b>
Financial institutions	262,088	47,883	44,447	135,665	28,016	15,150
Manufacturing	5,030,199	2,137,908	1,081,716	319,738	91,602	55,631
Construction and real estate	2,926,374	1,686,443	938,351	2,878,071	1,807,795	1,145,667
Wholesale and retail trade	4,642,181	2,505,630	1,308,837	423,254	112,369	80,036
Transportation	354,442	80,094	36,263	289,644	11,937	6,402
Shipping	204,919	82,143	16,912	1,296,349	219,201	113,890
Hotels – Tourism	1,742,099	762,913	288,724	250,958	115,189	44,599
Services and other sectors	2,231,783	949,461	496,108	367,525	195,323	86,150
<b>Public sector</b>	<b>1,040,562</b>	<b>41,472</b>	<b>45,437</b>	<b>109,775</b>	<b>(1)</b>	<b>1,683</b>
<b>Total</b>	<b>46,438,081</b>	<b>24,522,039</b>	<b>10,780,591</b>	<b>10,174,139</b>	<b>4,603,011</b>	<b>2,513,436</b>

### Interest income by credit quality and type of loans and advances to customers

31.12.2017			
	Interest income on non impaired Loans and Advances	Interest income on impaired Loans and Advances	Total interest income
Retail lending	652,540	572,033	1,224,573
Corporate lending	753,736	180,197	933,933
Public sector	29,486	201	29,687
<b>Total interest income</b>	<b>1,435,762</b>	<b>752,431</b>	<b>2,188,193</b>

\* Several figures of the previous year have been restated in order to be comparable.





## FORBORNE LOANS

On 31.12.2014, the Group reassessed the perimeter of forborne loans for all the portfolios based on the Executive Regulation (EU) 2015/227 of European commission dated 9 January 2015 and the Executive technical standards of the European banking authority and incorporated the related definitions to its credit risk policy. In this respect, the evolution, the quality and the effectiveness of these loans are monitored according to the above definition.

The forborne loans perimeter includes loans:

- which have been restructured within the last 36 months and were not past due more than 90 days, and
- forborne loans past due more than 90 days.

The restructuring of loans is performed through renegotiation of the original contractual terms and include changes such as:

- Extension of the credit duration
- Write-off of a portion of debtor's amounts due
- Grace period for the principal and/or interests
- Decrease in the interest rate

As a rule the forborne measures which are extended include a combination of the above amendments to the contractual terms.

The carrying amount of forborne loans of the Group as of 31.12.2017 is amounted to €14,200.

In addition, in the context of renegotiations of the terms of loans granted, the Group has participated in agreements for the exchange of debt securities or loans with debtors' shares. As at 31.12.2017, the Group included in its Available for Sale portfolio and in Assets held for Sale shares of fair value amounting to €2,321 which were acquired from respective transactions. The shares that have been classified in Assets held for Sale concern SELONDA AQUACULTURE A.E.G.E. and NIREUS AQUACULTURE S.A. (note 49).

### Analysis of forborne loans and advances to customers by type of forberance measure

	<b>31.12.2017</b>
Interest payment only	395,799
Reduce payments scheme	6,238,755
Grace period	900,330
Loan term extension	3,264,230
Arrears capitalization	2,041,991
Partial write-off in borrower's obligations	177,982
Hybrid forbearance measures	142,345
Debt for equity transactions	6,805
Other	1,031,402
<b>Total net amount</b>	<b>14,199,639</b>

**Forborne loans and advances to customers by product line**

	<b>31.12.2017</b>
<b>Retail lending</b>	<b>10,698,797</b>
Mortgage	6,831,684
Consumer	2,024,257
Credit cards	179,416
Small Business	1,663,440
<b>Corporate lending</b>	<b>3,463,158</b>
Large	2,109,103
SME's	1,354,055
<b>Public sector</b>	<b>37,684</b>
Greece	37,684
<b>Total net amount</b>	<b>14,199,639</b>

**Forborne loans and advances to customers by geographical region**

	<b>31.12.2017*</b>
Greece	12,202,491
Other Countries	1,997,148
<b>Total net amount</b>	<b>14,199,639</b>

**Forborne loans and advances to customers according to their credit quality**

	<b>31.12.2017</b>		
	<b>Total amount of Loans and Advances</b>	<b>Total amount of Forborne Loans and Advances</b>	<b>Forborne Loans and Advances (%)</b>
Neither past due nor impaired	23,924,641	3,760,804	16
Past due but not impaired	3,562,529	1,664,781	47
Impaired	29,125,050	14,206,478	49
<b>Exposure before impairment</b>	<b>56,612,220</b>	<b>19,632,063</b>	<b>35</b>
Individual Impairment Allowance	(5,715,804)	(2,256,220)	39
Collective Impairment Allowance	(7,578,223)	(3,176,204)	42
<b>Total net amount</b>	<b>43,318,193</b>	<b>14,199,639</b>	<b>33</b>
Value of collateral	34,566,099	11,498,732	33

\* Several figures of the previous year have been restated in order to be comparable.

**Reconciliation of forborne loans and advances to customers**

	<b>Forborne loans (Net Value):</b>
<b>Balance 1.1.2017</b>	<b>12,812,046</b>
Forbearance measures of loans and advances to customers during the year	2,472,869
Reclassification of loans and advances to customers to "Assets Held for sale"	(80,452)
Interest income	502,336
Disposal of Forborne Loans	(7,128)
Repayment of loans and advances to customers (partial or total)	(558,245)
Loans and advances to customers that exited forbearance status	(898,630)
Impairment losses	(8,409)
Other	(34,748)
<b>Balance 31.12.2017</b>	<b>14,199,639</b>

**Balances with central banks - due from banks - derivative financial instruments and debt securities****Analysis per rating**

31.12.2017								
	Balances with Central Banks	Due from Banks	Derivatives Financial Instruments	Trading securities	Available for sale securities	Held to maturity securities	Loans and receivables securities	Total
AAA					378,258			378,258
AA+ to AA-		106,388	21,944		688,189	9,008		825,529
A+ to A-		1,132,927	153,281		46,881			1,333,089
BBB+ to BBB-	384,519	397,193	73,897		537,440			1,393,049
Lower than BBB-	818,870	8,766	372,659	5,969	4,079,606	1,862		5,287,732
Unrated		112,336	755		7,241			120,332
<b>Exposure before impairment</b>	<b>1,203,389</b>	<b>1,757,610</b>	<b>622,536</b>	<b>5,969</b>	<b>5,737,615</b>	<b>10,870</b>	-	<b>9,337,989</b>

**Analysis by credit quality**

31.12.2017								
	Balances with Central Banks	Due from Banks	Derivatives Financial Instruments	Trading securities	Available for sale securities	Held to maturity securities	Loans and receivables securities	Total
Neither past due nor impaired	1,203,389	1,715,649	622,537	5,969	5,737,615	10,870		9,296,029
Past due but not impaired								
Impaired		41,961						41,961
<b>Exposure before impairment</b>	<b>1,203,389</b>	<b>1,757,610</b>	<b>622,537</b>	<b>5,969</b>	<b>5,737,615</b>	<b>10,870</b>	-	<b>9,337,990</b>
Less: Allowance for impairment losses		(41,961)						(41,961)
<b>Net exposure</b>	<b>1,203,389</b>	<b>1,715,649</b>	<b>622,537</b>	<b>5,969</b>	<b>5,737,615</b>	<b>10,870</b>	-	<b>9,296,029</b>



The following table shows an analysis of the financial instruments subject to credit risk, by counterparty's industry sector.

## Financial instruments credit risk

### Analysis by industry sector

31.12.2017											
	Financial Institutions and other financial services	Manufacturing	Construction and real estate	Wholesale and retail trade	Public sector/ Government securities/ Derivatives	Transportation	Shipping	Hotels-Tourism	Services and other sectors	Retail lending	Total
<b>Credit risk exposure relating to balance sheet items:</b>											
Balances with Central Banks	1,203,389										1,203,389
Due from banks	1,757,610										1,757,610
Loans and advances to customers	397,753	5,349,938	5,804,445	5,065,434	1,150,337	644,086	1,501,268	1,993,057	2,599,306	32,106,596	56,612,220
Derivative financial assets	175,695	16,348	67,304	17,018	331,967		728	8,266	5,095	115	622,536
Trading securities					5,969						5,969
Available for sale securities	1,074,787	163,719	1,567	10,675	4,460,302				26,565		5,737,615
Held to maturity securities			319		10,551						10,870
Assets held for sale	69,905	48,980	131,639	27,178		289		9,579	123,142	892,655	1,303,367
<b>Total amount of balance sheet items exposed to credit risk (a)</b>	<b>4,679,139</b>	<b>5,578,985</b>	<b>6,005,274</b>	<b>5,120,305</b>	<b>5,959,126</b>	<b>644,375</b>	<b>1,501,996</b>	<b>2,010,902</b>	<b>2,754,108</b>	<b>32,999,366</b>	<b>67,253,576</b>
Other balance sheet items not exposed to credit risk	571,079	3,034	86,145	350		404			7,850,682		8,511,694
<b>Total assets</b>	<b>5,250,218</b>	<b>5,582,019</b>	<b>6,091,419</b>	<b>5,120,655</b>	<b>5,959,126</b>	<b>644,779</b>	<b>1,501,996</b>	<b>2,010,902</b>	<b>10,604,790</b>	<b>32,999,366</b>	<b>75,765,270</b>
<b>Credit risk exposure relating to off-balance sheet items:</b>											
Letters of guarantee, letters of credit and other guarantees	29,581	437,452	1,409,318	468,173	93,359	63,635	6,529	88,603	718,283	70,030	3,384,963
<b>Total amount of off-balance sheet items exposed to credit risk (b)</b>	<b>29,581</b>	<b>437,452</b>	<b>1,409,318</b>	<b>468,173</b>	<b>93,359</b>	<b>63,635</b>	<b>6,529</b>	<b>88,603</b>	<b>718,283</b>	<b>70,030</b>	<b>3,384,963</b>
<b>Total credit risk exposure (a+b)</b>	<b>4,708,720</b>	<b>6,016,437</b>	<b>7,414,592</b>	<b>5,588,478</b>	<b>6,052,485</b>	<b>708,010</b>	<b>1,508,525</b>	<b>2,099,505</b>	<b>3,472,391</b>	<b>33,069,396</b>	<b>70,638,539</b>

**EXPOSURE IN CREDIT RISK FROM DEBT ISSUED BY THE GREEK STATE**

The table below presents the Bank's total exposure in Greek State securities:

Portfolio	31.12.2018		31.12.2017	
	Nominal value	Carrying amount	Nominal value	Carrying amount
Securities measured at fair value through other comprehensive income	3,820,590	3,760,627		
Available for sale			3,801,005	3,718,394
Trading	6,858	6,669	6,265	5,969
<b>Total</b>	<b>3,827,448</b>	<b>3,767,296</b>	<b>3,807,270</b>	<b>3,724,363</b>

All Greek Government securities are classified in level 1 based on the quality of inputs used for the estimation of their fair value. Furthermore, the securities issued by public entities amounted to book value €67,131 on 31.12.2018 (31.12.2017: €111,674). The Group's exposure to Greek State from other financial instruments, excluding securities and loans and advances is depicted in the tables below:

**On balance sheet exposure**

	31.12.2018	31.12.2017
	Carrying amount	
Derivative financial instruments-assets	429,309	331,967
Derivative financial instruments-liabilities	(36,063)	(28,698)

Derivative financial liabilities from public sector entities/organizations amounted to €7,689 as at 31.12.2018 (31.12.2017: €6,541 Derivative financial assets).

The Group exposure in loans to public entities/organizations on 31.12.2018 amounted to €836,649 (31.12.2017: €1,076,823). The Group, for the above receivables has recognized an impairment amounted to €50,759 as at 31.12.2018 (31.12.2017: €45,519). Furthermore, the balance of Group's loans guaranteed by the Greek State (guaranteed either directly by Greek government or by Common Ministerial Decisions and loans guaranteed by ETEAN) on 31.12.2018 amounted to €542,743 (31.12.2017: €679,214). For these loans the Bank has recognized impairment amounted to €91,881 on 31.12.2018 (31.12.2017: €113,967).

**Off balance sheet exposure**

Portfolio	31.12.2018		31.12.2017	
	Nominal value	Fair value	Nominal value	Fair value
Greek Government Treasury Bills received as collateral for derivatives transactions	400,000	399,600	300,000	299,370



## 43.2 Market risk

Market risk is the risk of losses arising from unfavourable changes in the value or volatility of interest rates, foreign exchange rates, stock exchange indices, equity prices and commodities. Losses may also occur either from the trading portfolio or from the Assets-Liabilities management.

More specifically:

- Interest rate risk is the risk that results from the Group's exposure to adverse changes in the value or volatility of interest rates.
- Foreign exchange risk is the risk arising from adverse changes in the value or volatility of foreign exchange rates.
- Equity risk is the risk arising from adverse changes in the value or volatility of equities or equity indices. The Group holds no material portfolio in such instruments.

### i. Trading portfolio

The Group Market Risk Management Policy elaborates on how market risk is managed within the Group, i.e. the identification, measurement, monitoring and control of market risk inherent in Treasury assets and liabilities transacted by the Group and the country local Treasury Management Units, as well as the determination that adequate capital is held against this type of risk. The ultimate objective of the Policy is to provide the framework and principles for the effective management of market risk, in order to:

- maintain market risk within the limits, in line with the Group's risk appetite;
- reduce the risk of fraud or regulatory non-compliance by prescribing sound methodologies;
- ensure adequate controls to prevent significant losses;
- facilitate efficient decision-making by quantifying where possible the probabilities of failing to achieve earnings or other targets.

All competent Group and country local Units apply the Policy by developing and applying corresponding processes.

Market risk of trading portfolio is measured by Value at Risk – VAR, that is the maximum amount of loss with a given probability (confidence level). The method applied for calculating Value at Risk is historical simulation with full revaluation using the 99th percentile and one tailed confidence interval. The historical observation period is one year at minimum. Risk factor returns are calculated according to the absolute or relative approach.

The Bank calculates VAR on a daily basis and the data sets are updated daily. A holding period of one and ten days is applied for regulatory purposes. Additional holding periods may be applied for internal purposes, according to the time required for the liquidation of the portfolio.

In line with the regulatory requirement, back-testing is performed on a daily basis for the Bank prudential trading book through the use of hypothetical and actual outcomes by monitoring the number of times that the trading outcomes exceed the corresponding risk measure.

### 1 day value at risk, 99% confidence interval (2 years historical data)

(Amounts in Euro)

	2018				
	Foreign currency risk	Interest rate risk	Price risk	Covariance	Total
31 December	951,434	1,967,445	5,682	(1,148,208)	<b>1,776,353</b>
Average daily value (annual)	779,195	1,818,875	12,015	(897,098)	<b>1,712,987</b>
Maximum* daily value (annual)	350,410	1,972,905	24,651	(225,823)	<b>2,122,143</b>
Minimum* daily value (annual)	877,949	1,237,747		(876,786)	<b>1,238,910</b>

\* Relates to the total Value at Risk within the year



(Amounts in Euro)

	2017				
	Foreign currency risk	Interest rate risk	Price risk	Covariance	Total
31 December	346,333	1,941,302	24,345	(213,915)	<b>2,098,065</b>
Average daily value (annual)	585,522	1,146,831	42,153	(321,815)	<b>1,452,691</b>
Maximum* daily value (annual)	429,859	2,220,697	9,763	(432,617)	<b>2,227,702</b>
Minimum* daily value (annual)	323,703	254,866	24,174	(158,717)	<b>444,026</b>

The above items concern the Bank. The Group's subsidiaries and branches have limited trading positions, which are immaterial compared to the positions of the Bank. As a result, the market risk effect deriving from these positions on the total income, is immaterial.

The Value at Risk methodology is based on certain theoretical assumptions, which under extreme market conditions might not capture the maximum loss the Bank may suffer. The limitations of the methodology may be summarized as follows:

- VAR refers to the potential loss at a 99% confidence level, without considering any losses beyond that level
- Risk factor returns are assumed to follow the empirical distribution that was experienced during the historical observation period.

The Value at Risk methodology is complemented with scenario analysis and stress testing, in order to estimate the potential size of losses that could arise from the trading portfolio for hypothetical as well as historical extreme movements of market parameters (stress-testing).

Within the scope of market risk control, open position, maximum loss (stop loss) and value at risk limits have been set across trading positions.

In particular, limits have been set for the following risks:

- Foreign currency risk regarding spot and forward positions and FX options
- Interest rate risk regarding positions in bonds, Interest Rate Swaps, Interest Futures, Interest Options
- Price risk regarding positions in shares, index Futures and options, Commodity Futures and Swaps
- Credit risk regarding interbank transactions and bonds

Positions held in these products are monitored on a daily basis and are examined for the corresponding limit percentage cover and for any limit excess.

## ii. The financial risks of the banking portfolio

The financial risks of the banking portfolio derive from the structure of assets and liabilities and primarily from the portfolio of loans and deposits of the Group. The financial risks of the banking portfolio concern foreign exchange risk, interest rate risk and liquidity risk.

### a. Foreign currency risk

The Bank takes on the risk arising from the fluctuations in foreign exchange rates.

The management of foreign currency position is centralized.

The policy of the Bank is the positions to be closed immediately using spot transactions or currency derivatives. In case that positions are still open, they are daily monitored by the competent department and they are subject to limits.

\* Relates to the total Value at Risk within the year



The total open position arises from the net balance sheet position and derivatives forward position are presented in the tables below.

31.12.2018									
	USD	GBP	CHF	JPY	RON	RSD	Other FC	Euro	Total
<b>ASSETS</b>									
Cash and balances with Central Banks	10,238	10,056	927	37	128,457		33,548	1,744,942	1,928,205
Due from banks	232,664	46,876	16,834	5,369	70,746	95	10,703	2,117,205	2,500,492
Trading securities								8,339	8,339
Derivative financial assets								725,173	725,173
Loans and advances to customers	1,818,927	408,610	976,877	23,130	1,059,212	10,530	90,130	35,840,903	40,228,319
Investment securities:									
- Measured at fair value through other comprehensive income	140,742	16,849			195,435		70,808	6,537,988	6,961,822
- Measured at fair value through profit or loss							13,460	29,334	42,794
Investments in associates and joint ventures								23,194	23,194
Investment property					80,894		47,046	365,221	493,161
Property, plant and equipment		3,064			22,149		5,236	704,214	734,663
Goodwill and other intangible assets		64			6,026		351	427,652	434,093
Deferred tax assets					267		151	5,290,345	5,290,763
Other assets	550	1,903	21,128	911	8,580		21,715	1,308,898	1,363,685
Assets held for sale					1,928			270,109	272,037
<b>Total Assets</b>	<b>2,203,121</b>	<b>487,422</b>	<b>1,015,766</b>	<b>29,447</b>	<b>1,573,694</b>	<b>10,625</b>	<b>293,148</b>	<b>55,393,517</b>	<b>61,006,740</b>
<b>LIABILITIES</b>									
Due to banks and customers	1,992,726	258,078	38,084	1,035	1,095,961		402,002	45,400,308	49,188,194
Derivative financial liabilities								1,147,895	1,147,895
Debt securities in issue and other borrowed funds	269,954				11,369			662,011	943,334
Liabilities for current income tax and other taxes		425			12,472		787	27,588	41,272
Deferred tax liabilities		143			3,161		1,009	14,368	18,681
Employee defined benefit obligations								86,744	86,744
Other liabilities	10,191	2,941	26,499	1,455	7,293		2,395	859,344	910,118
Provisions	1,407	33	4	10	5,308		2,313	518,311	527,386
<b>Total liabilities</b>	<b>2,274,278</b>	<b>261,620</b>	<b>64,587</b>	<b>2,500</b>	<b>1,135,564</b>	<b>-</b>	<b>408,506</b>	<b>48,716,569</b>	<b>52,863,624</b>
Net balance sheet position	(71,157)	225,802	951,179	26,947	438,130	10,625	(115,358)	6,676,948	8,143,116
Derivatives forward foreign exchange position	107,711	(226,670)	(946,083)	(26,535)	(341,200)		176,100	1,268,577	11,900
<b>Total Foreign exchange position</b>	<b>36,554</b>	<b>(868)</b>	<b>5,096</b>	<b>412</b>	<b>96,930</b>	<b>10,625</b>	<b>60,742</b>	<b>7,945,525</b>	<b>8,155,016</b>





31.12.2017									
	USD	GBP	CHF	JPY	RON	RSD	Other FC	Euro	Total
<b>ASSETS</b>									
Cash and balances with Central Banks	6,579	4,191	704	48	154,455		15,175	1,412,698	1,593,850
Due from banks	126,815	25,600	40,679	2,935	26,133	76	12,098	1,481,313	1,715,649
Trading securities	1							8,684	8,685
Derivative financial assets								622,536	622,536
Loans and advances to customers	1,541,568	374,695	1,363,084	23,529	924,211		104,225	38,986,881	43,318,193
Investment securities									
- Available for sale	146,440	17,037			265,756		93,808	5,350,727	5,873,768
- Held to maturity							1,544	9,326	10,870
Investments in associates and joint ventures								18,886	18,886
Investment property					107,681		83,442	362,220	553,343
Property, plant and equipment		3,374			26,267		6,075	698,117	733,833
Goodwill and other intangible assets		158			3,823		394	385,434	389,809
Deferred tax assets					994		317	4,329,291	4,330,602
Other assets	1,716	685	7,477	2	19,794		12,691	1,306,420	1,348,785
Assets held for sale	12,190				13,516	498		262,773	288,977
<b>Total Assets</b>	<b>1,835,309</b>	<b>425,740</b>	<b>1,411,944</b>	<b>26,514</b>	<b>1,542,630</b>	<b>574</b>	<b>329,769</b>	<b>55,235,306</b>	<b>60,807,786</b>
<b>LIABILITIES</b>									
Due to banks and customers	1,653,227	242,462	22,210	2,171	1,044,092		401,156	44,666,649	48,031,967
Derivative financial liabilities								1,029,421	1,029,421
Debt securities in issue and other borrowed funds	319,001							336,566	655,567
Liabilities for current income tax and other taxes		1,129			10,798		570	30,264	42,761
Deferred tax liabilities					4,039		255	20,703	24,997
Employee defined benefit obligations								92,038	92,038
Other liabilities	3,499	1,131	7,952	508	8,944		2,524	846,546	871,104
Provisions	60	2	1		2,987		1,975	428,215	433,240
<b>Total liabilities</b>	<b>1,975,787</b>	<b>244,724</b>	<b>30,163</b>	<b>2,679</b>	<b>1,070,860</b>	<b>-</b>	<b>406,480</b>	<b>47,450,402</b>	<b>51,181,095</b>
Net balance sheet position	(140,478)	181,016	1,381,781	23,835	471,770	574	(76,711)	7,784,904	9,626,691
Derivatives forward foreign exchange position	181,260	(181,116)	(1,381,295)	(23,390)	(360,071)		184,153	1,641,037	60,578
<b>Total Foreign exchange position</b>	<b>40,782</b>	<b>(100)</b>	<b>486</b>	<b>445</b>	<b>111,699</b>	<b>574</b>	<b>107,442</b>	<b>9,425,941</b>	<b>9,687,269</b>



The net foreign exchange position as at 31.12.2018 presents the following sensitivity analysis:

Currency	Exchange rate variation scenario against Euro (%)	Impact on net income before tax	Impact on Equity
USD	5% Depreciation EUR against USD	1,924	
	5% Appreciation EUR against USD	(1,741)	
GBP	5% Depreciation EUR against GBP	(46)	
	5% Appreciation EUR against GBP	41	
CHF	5% Depreciation EUR against CHF	268	
	5% Appreciation EUR against CHF	(243)	
RON	5% Depreciation EUR against RON		5,102
	5% Appreciation EUR against RON		(4,616)
RSD	5% Depreciation EUR against RSD	559	
	5% Appreciation EUR against RSD	(506)	
ALL	5% Depreciation EUR against ALL		(464)
	5% Appreciation EUR against ALL		420

## b. Interest rate risk

Banking book interest rate risk relates to the volatility on Equity and interest income due to the mismatch between the non-negotiable Assets-Liabilities and the measured at fair value through other comprehensive income portfolio. The interest rate risk management framework is determined in accordance with the Asset Liability Risk Management Policy. Based on this framework, the risk analysis of the Banking Portfolio is analyzed through the Interest Rate Gap Analysis. Particularly, assets and liabilities are classified in Gaps depending on their reprising date for floating-rate items, or maturity date for fixed rate items.

Interest rate risk management is carried out by ALCO, following proposals by Group Market and Operational Risk Division, Financial Markets Division and Asset Liability Management Division. Stress interest rate scenarios are carried out on a monthly basis and their impact on the interest income change through EAR (Earnings at Risk) and Equity Value through EVE (Economic Value of Equity) is calculated. Corresponding limits have been set for both measures (EaR & EVE) which are monitored and presented to ALCO and RMC on a regular basis.



The following table presents the Interest Rate Repricing Analysis of both Assets and Liabilities, financial and non financial.

31.12.2018								
	Less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 5 years	> 5 years	Non-interest bearing	Total
<b>ASSETS</b>								
Cash and balances with Central Banks	1,212,677						715,528	1,928,205
Due from Banks	2,230,066	50,413	9,484	9,284	11,749	189,496		2,500,492
Trading securities					209	8,130		8,339
Derivative financial assets	725,173							725,173
Loans and advances to customers	14,815,846	6,001,769	2,363,781	1,205,366	10,276,390	5,565,167		40,228,319
Investment securities								
-Measured at fair value through other comprehensive income	143,454	151,607			3,674,089	2,992,672		6,961,822
-Measured at fair value through profit or loss		12,610	16,894		9,481	3,809		42,794
Investments in associates and joint ventures							23,194	23,194
Investment property							493,161	493,161
Property, plant and equipment							734,663	734,663
Goodwill and other intangible assets							434,093	434,093
Deferred tax assets							5,290,763	5,290,763
Other assets							1,363,685	1,363,685
Assets held for sale		55,925					216,112	272,037
<b>Total Assets</b>	<b>19,127,216</b>	<b>6,272,324</b>	<b>2,390,159</b>	<b>1,214,650</b>	<b>13,971,918</b>	<b>8,759,274</b>	<b>9,271,199</b>	<b>61,006,740</b>
<b>LIABILITIES</b>								
Due to banks	6,482,667	1,158,374	27,907	39,745	2,747,666			10,456,359
Derivative financial liabilities	1,147,895							1,147,895
Due to customers	10,435,837	5,158,912	5,000,201	4,125,286	9,066,972	4,941,591	3,036	38,731,835
Debt securities in issue held by institutional investors and other borrowed funds	324,846				599,793	18,695		943,334
Liabilities for current income tax and other taxes							41,272	41,272
Deferred tax liabilities							18,681	18,681
Employee defined benefit obligations							86,744	86,744
Other liabilities							908,515	908,515
Provisions							527,386	527,386
Liabilities related to assets held for sale							1,603	1,603
<b>Total Liabilities</b>	<b>18,391,245</b>	<b>6,317,286</b>	<b>5,028,108</b>	<b>4,165,031</b>	<b>12,414,431</b>	<b>4,960,286</b>	<b>1,587,237</b>	<b>52,863,624</b>
<b>EQUITY</b>								
Share capital							463,110	463,110
Share premium							10,801,029	10,801,029
Reserves							459,903	459,903
Retained earnings							(3,624,847)	(3,624,847)
Non-controlling interests							28,814	28,814
Hybrid securities							15,107	15,107
<b>Total Equity</b>							<b>8,143,116</b>	<b>8,143,116</b>
<b>Total Liabilities and Equity</b>	<b>18,391,245</b>	<b>6,317,286</b>	<b>5,028,108</b>	<b>4,165,031</b>	<b>12,414,431</b>	<b>4,960,286</b>	<b>9,730,353</b>	<b>61,006,740</b>
<b>Open exposure</b>	<b>735,971</b>	<b>(44,962)</b>	<b>(2,637,949)</b>	<b>(2,950,381)</b>	<b>1,557,487</b>	<b>3,798,988</b>	<b>(459,154)</b>	
<b>Cumulative exposure</b>	<b>735,971</b>	<b>691,009</b>	<b>(1,946,940)</b>	<b>(4,897,321)</b>	<b>(3,339,834)</b>	<b>459,154</b>		



31.12.2017								
	< 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 5 years	> 5 years	Non-interest bearing	Total
<b>ASSETS</b>								
Cash and balances with Central Banks	966,263						627,587	1,593,850
Due from Banks	1,177,555	315,143	9,338	14,919	15,753	182,941		1,715,649
Securities held for trading					2,317	3,652	2,716	8,685
Derivative financial assets	622,536							622,536
Loans and advances to customers	20,877,227	8,020,758	1,808,472	1,317,351	7,643,744	3,650,641		43,318,193
Investment securities								-
- Available for sale	606,759	822,847	615,041	84,186	1,193,187	2,435,918	115,830	5,873,768
- Held to maturity	319	766	9,008		777			10,870
- Loans and receivables								-
Investments in associates and joint ventures							18,886	18,886
Investment property							553,343	553,343
Property, plant and equipment							733,833	733,833
Goodwill and other intangible assets							389,809	389,809
Deferred tax assets							4,330,602	4,330,602
Other assets							1,348,785	1,348,785
Non-current assets held for sale	288,977							288,977
<b>Total Assets</b>	<b>24,539,636</b>	<b>9,159,514</b>	<b>2,441,859</b>	<b>1,416,456</b>	<b>8,855,778</b>	<b>6,273,152</b>	<b>8,121,391</b>	<b>60,807,786</b>
<b>LIABILITIES</b>								
Due to banks	9,234,372	765,462	43,626		3,098,071			13,141,531
Derivative financial liabilities	1,029,421							1,029,421
Due to customers	7,360,232	4,285,499	7,053,784	3,799,126	7,578,650	4,809,649	3,496	34,890,436
Debt securities in issue held by institutional investors and other borrowed funds	621,475	29,814	4,278					655,567
Liabilities for current income tax and other taxes							42,761	42,761
Deferred tax liabilities							24,997	24,997
Employee defined benefit obligations							92,038	92,038
Other liabilities							870,682	870,682
Provisions							433,240	433,240
Liabilities related to assets held for sale	422							422
<b>Total Liabilities</b>	<b>18,245,922</b>	<b>5,080,775</b>	<b>7,101,688</b>	<b>3,799,126</b>	<b>10,676,721</b>	<b>4,809,649</b>	<b>1,467,214</b>	<b>51,181,095</b>
<b>EQUITY</b>								
Share capital							463,110	463,110
Share premium							10,801,029	10,801,029
Reserves							808,951	808,951
Retained earnings							(2,490,040)	(2,490,040)
Non-controlling interests							28,534	28,534
Hybrid securities							15,107	15,107
<b>Total Equity</b>							<b>9,626,691</b>	<b>9,626,691</b>
<b>Total Liabilities and Equity</b>	<b>18,245,922</b>	<b>5,080,775</b>	<b>7,101,688</b>	<b>3,799,126</b>	<b>10,676,721</b>	<b>4,809,649</b>	<b>11,093,905</b>	<b>60,807,786</b>
<b>Open exposure</b>	<b>6,293,714</b>	<b>4,078,739</b>	<b>(4,659,829)</b>	<b>(2,382,670)</b>	<b>(1,820,943)</b>	<b>1,463,503</b>	<b>(2,972,514)</b>	
<b>Cumulative exposure</b>	<b>6,293,714</b>	<b>10,372,453</b>	<b>5,712,624</b>	<b>3,329,954</b>	<b>1,509,011</b>	<b>2,972,514</b>		

From the Interest Rate Gap Analysis and from the application of alternative scenarios regarding the changes in the market interest rates or changes in the base interest rates of the Bank and the companies of the Group, the Group is able to calculate the immediate changes in the net interest income and equity relating to securities measured at fair value through other comprehensive income and the respective hedging instruments. In the Interest Rate Gap Analysis, the variance, up to the point it's feasible (interest rate equals to zero), is studied, according to the interest rate curves by currency in force.

Interest rate variation scenario (parallel fall or rise in yield curves)	Sensitivity for net interest income (annual)	Sensitivity of Equity
-200	-74,643	+372,096
+200	+4,823	-345,268



### 43.3 Liquidity risk

Liquidity risk relates to Group's ability to maintain sufficient funds to cover its planned or extraordinary obligations. Liquidity Risk comprises both funding liquidity risk and asset liquidity risk though these two dimensions of liquidity risk are closely related.

Funding Liquidity risk refers to the inability of a financial institution to raise the cash necessary to roll over its debt, fulfill the cash, margin, or collateral requirements of counterparties; or to meet capital withdrawals. Asset – market liquidity risk, results from the Bank's failure to recognize or address changes in market conditions that affect the ability to liquidate assets quickly and with minimal loss in value.

According to Group's Liquidity Risk Management Policy, the Board Risk Management Committee assigns the overall responsibility for overseeing asset and liability management to Asset – Liability Committee (ALCo). ALCo is responsible on one hand to monitor the quantitative and qualitative aspects of liquidity risk and on the other hand to ensure that appropriate policies and procedures are in place to control and limit liquidity risk. In addition to that, ALCo is responsible for approving the guidelines, principles, risk measurement techniques and limits that have been proposed by the Group Market and Operational Risk Division, Financial Markets Division and Asset Liability Management Division.

Group's executive and senior management is informed on current liquidity risk exposures on a daily basis, ensuring that the Group's liquidity risk profile stays within approved limits. Moreover, management receives on a daily basis a liquidity report, which presents a detailed analysis of Bank's funding sources and counterbalancing capacity. Among others, for the purpose of proper management of liquidity risk and in line with supervisory requirements, the Bank monitors and manages on a monthly basis, the amount, quality and concentration of counterbalancing capacity, the cash flows arising from assets and liabilities (inflows, outflows – maturity ladder) over time, the concentration and cost of funding, the roll over of funding.

The following list summarizes the main reports which are produced on a periodic basis in order to inform the Group's executive and senior management and the ALCo; Static Liquidity Gap analysis, regulatory liquidity ratios of the Group and the subsidiaries, deposit concentration report per subsidiary per currency, Group's Loans to Deposit ratio, liquidity risk indicators and triggers as defined in Recovery Plan of each subsidiary and the Group, liquidity stress testing according to scenarios that evaluate the impact of systemic and idiosyncratic stress events on each subsidiary's liquidity position.

Due to the criticality of the Greek economy, stress tests are frequently carried out, for liquidity purposes, in order to assess potential outflows (contractual or contingent) to determine the level of immediate liquidity available to cover the Bank's needs. These tests are carried out according to the approved, Liquidity Buffer and Liquidity Stress Scenario Policy of the Group and evaluate the risk in idiosyncratic extraordinary events (idiosyncratic stress test) in the Bank's liquidity, in systemic (systemic stress test) as well as combined events (combined stress test), while it has to be noted that stress tests are also used in order to determine the Liquidity buffer for recovery purposes. According to the policy and within the context of ILAAP, the Bank also applies a reverse stress test in order to examine its impact on its liquidity.

Taking into account that liquidity risk management seeks to ensure that the respective risk of the Group is measured properly and is maintained within acceptable levels, even under adverse conditions, then the Group must have access to funds in order to cover customer needs, maturing liabilities and other capital needs, while maintaining at the same time the appropriate counterbalancing capacity to ensure the above.

More analytically, the total funding can be divided into two main categories:

#### A. Customer deposits

##### 1. Customer deposits on demand for cash flow needs

Deposits that are intended to meet short term needs of customers are the savings accounts and the sight deposits. Although these deposits may be withdrawn on demand, the number of accounts and type of depositors ensure that unexpected significant fluctuations are limited. Therefore, these deposits constitute a significant factor of stability of the deposit base.



## 2. Customer term deposits and bonds for investment purposes

The customer term deposits and bonds for investment purposes issued by the Group companies usually consist of customer deposits for a certain period and customer repurchase agreements (repos), whereas the bonds issued by the Group companies are disposed through outright sale. Customers have the ability of early withdrawal of deposits or early liquidation of bonds which may result in potential need of finding alternative liquidity in case of extensive outflows.

For this purpose and for the general safety of customer deposits, the Bank takes care for the existence of adequate liquidity surpluses which are calculated based on stress testing exercises due to loss of liquidity or the existence of sufficient credit lines of financial instruments as shown below.

## B. Wholesale funding

### 1. Medium-term borrowing from international capital markets

The Bank's constant aspiration is to cooperate with international investors who may offer medium term financing through purchase of securities issued by the Group companies. For this purpose, the Bank retains special financing programs appealing to international investors and provides adequate coverage of credit needs through international capital markets by planning asset level needs on an annual basis. However, the Bank acknowledges that the demand of these bonds may not be enough to fully meet the needs in specific time intervals as a result of factors which concern the credit assessment in the domestic and international economic environment.

### 2. Funding by Central Banks

An alternative way of Bank funding is the liquidity from financial instruments of the Central Banks- Euro system and especially from the European Central Bank (ECB). This funding regards loan granted with pledge of assets according to instructions and the eligible assets determined by the ECB. During the last years this additional source funding has become a major financial instrument by hedging the inadequate or loss of basic forms of Bank funding. Furthermore, under the period on which Greece is under the restructuring program of economy and fiscal improvement of financial figures and simultaneously servicing financing needs of the network of institutions that have the supervision of the program, the Bank can use available assets in order to increase liquidity from the Eurosystem to cover any financing gap. The Bank recognizes the short-term nature of this liquidity source and pursues gradually to release, if circumstances allow. However, for as long as the country is experiencing financial and economic crisis, the Bank ensures the smooth financing from these financial instruments which may be either conventional marginal lending from the ECB (MRO), or Emergent Liquidity Assistance from Bank of Greece (ELA). The Bank ensures the adequacy of collateral required in order to serve the financing from the above financial instruments, while recognizing both the type and the amount of financing that is under the discretion of the Eurosystem.

The borrowing from the European System of Central Banks was reduced by €6.8 billion since 31.12.2017, amounting to €3.4 billion on 31.12.2018, of which the €0.3 billion came from ELA mechanism. It needs to be mentioned that, according to the Recovery Plan, ELA deposit is expected to be gradually reduced until its full elimination. During the year 2018, our funding has significantly increased due to increase of customer deposits and interbank repo transactions along with the issuance of MTN Notes.

Based on the Liquidity Gap Analysis, the cash flows arising from balance sheet items are calculated and classified into time periods in accordance with the contractual maturity date or the estimated date based on a statistical analysis (convention). An exception to the above, are the securities portfolios, which can contribute directly to raise liquidity, and they are allocated in the first period under the condition that they have not been used to raise liquidity either by the Central Bank or through interbank repos.



31.12.2018						
	< 1 month	1 to 3 months	3 to 6 months	6 to 12 months	> 1 year	Total
<b>Assets</b>						
Cash and balances with central banks	1,928,205					1,928,205
Due from banks	2,226,832	53,502	9,611	9,533	201,014	2,500,492
Trading securities	8,339					8,339
Derivative financial assets	725,173					725,173
Loans and advances to customers	1,183,305	1,157,704	1,462,287	2,582,734	33,842,289	40,228,319
Investment securities						
- Measured at fair value through other comprehensive income	6,961,822					6,961,822
- Measured at fair value through profit or loss	42,794					42,794
Investment in associates and joint ventures					23,194	23,194
Investment properties					493,161	493,161
Property, plant and equipment					734,663	734,663
Goodwill and other intangible assets					434,093	434,093
Deferred tax assets					5,290,763	5,290,763
Other Assets					1,363,685	1,363,685
Assets held for sale			131,753	140,284		272,037
<b>Total Assets</b>	<b>13,076,470</b>	<b>1,211,206</b>	<b>1,603,651</b>	<b>2,732,551</b>	<b>42,382,862</b>	<b>61,006,740</b>
<b>Liabilities</b>						
Due to banks	6,338,421	897,022	2,781	48,344	3,169,791	10,456,359
Derivative financial liabilities	1,147,895					1,147,895
Due to customers	8,815,212	5,228,495	5,108,578	4,341,255	15,238,295	38,731,835
Debt securities in issue held by institutional investors and other borrowed funds		5,835		319,012	618,487	943,334
Liabilities for current income tax and other taxes		41,272				41,272
Deferred tax liabilities					18,681	18,681
Employee defined benefit obligations					86,744	86,744
Other Liabilities					908,515	908,515
Provisions					527,386	527,386
Liabilities related to assets held for sale					1,603	1,603
<b>Total Liabilities</b>	<b>16,301,528</b>	<b>6,172,624</b>	<b>5,111,359</b>	<b>4,708,611</b>	<b>20,569,502</b>	<b>52,863,624</b>
<b>Equity</b>						
Share capital					463,110	463,110
Share premium					10,801,029	10,801,029
Reserves					459,903	459,903
Retained earnings					(3,624,847)	(3,624,847)
Non-controlling interests					28,814	28,814
Hybrid securities					15,107	15,107
<b>Total Equity</b>					<b>8,143,116</b>	<b>8,143,116</b>
<b>Total Liabilities and Equity</b>	<b>16,301,528</b>	<b>6,172,624</b>	<b>5,111,359</b>	<b>4,708,611</b>	<b>28,712,618</b>	<b>61,006,740</b>
<b>OPEN EXPOSURE</b>	<b>(3,225,058)</b>	<b>(4,961,418)</b>	<b>(3,507,708)</b>	<b>(1,976,060)</b>	<b>13,670,244</b>	<b>-</b>
<b>CUMULATIVE EXPOSURE</b>	<b>(3,225,058)</b>	<b>(8,186,476)</b>	<b>(11,694,184)</b>	<b>(13,670,244)</b>	<b>-</b>	<b>-</b>



31.12.2017						
	< 1 month	1 to 3 months	3 to 6 months	6 to 12 months	> 1 year	Total
<b>ASSETS</b>						
Cash and balances with Central Banks	1,593,850					1,593,850
Due from banks	1,191,353	313,541	6,717		204,038	1,715,649
Trading securities	8,685					8,685
Derivative financial assets	622,536					622,536
Loans and advances to customers	2,293,527	1,454,721	1,836,238	2,986,784	34,746,923	43,318,193
Investment securities						
- Available for sale	5,586,887				286,881	5,873,768
- Held to maturity					10,870	10,870
- Loans and receivables						
Investments in associates and joint ventures					18,886	18,886
Investment property					553,343	553,343
Property, plant and equipment					733,833	733,833
Goodwill and other intangible assets					389,809	389,809
Deferred tax assets					4,330,602	4,330,602
Other assets	61,974	109,011	163,516	327,032	687,252	1,348,785
Non current assets held for sale		168,700		120,277		288,977
<b>Total Assets</b>	<b>11,358,812</b>	<b>2,045,973</b>	<b>2,006,471</b>	<b>3,434,093</b>	<b>41,962,437</b>	<b>60,807,786</b>
<b>LIABILITY</b>						
Due to banks	9,120,769	444,919	790	1,286	3,573,767	13,141,531
Derivative financial liabilities	1,029,421					1,029,421
Due to customers	7,135,704	4,255,428	4,297,188	4,033,632	15,168,484	34,890,436
Debt securities in issue held by institutional investors and other borrowed funds			14,398		641,169	655,567
Liabilities for current income tax and other taxes		42,761				42,761
Deferred tax liabilities					24,997	24,997
Employee defined benefit obligations					92,038	92,038
Other liabilities	93,184				777,498	870,682
Provisions					433,240	433,240
Liabilities related to assets held for sale				422		422
<b>Total Liabilities</b>	<b>17,379,078</b>	<b>4,743,108</b>	<b>4,312,376</b>	<b>4,035,340</b>	<b>20,711,193</b>	<b>51,181,095</b>
<b>EQUITY</b>						
Share capital					463,110	463,110
Share premium					10,801,029	10,801,029
Reserves					808,951	808,951
Retained earnings					(2,490,040)	(2,490,040)
Non-controlling interests					28,534	28,534
Hybrid securities					15,107	15,107
<b>Total Equity</b>	-	-	-	-	<b>9,626,691</b>	<b>9,626,691</b>
<b>Total Liabilities and Equity</b>	<b>17,379,078</b>	<b>4,743,108</b>	<b>4,312,376</b>	<b>4,035,340</b>	<b>30,337,884</b>	<b>60,807,786</b>
<b>OPEN LIQUIDITY GAP</b>	<b>(6,020,266)</b>	<b>(2,697,135)</b>	<b>(2,305,905)</b>	<b>(601,247)</b>	<b>11,624,553</b>	-
<b>CUMULATIVE LIQUIDITY GAP</b>	<b>(6,020,266)</b>	<b>(8,717,401)</b>	<b>(11,023,306)</b>	<b>(11,624,553)</b>	-	-

Trading and investment portfolios measured at fair value through profit or loss and through other comprehensive income are listed based on their liquidation potential and not according to their maturity.

Cash flows arising from financial liabilities including derivative financial liabilities, are allocated into time bands according to their maturity date. Estimated interest payments are also included. Liabilities in foreign currency have been converted into Euro. Outflows and inflows relating to derivatives are estimated according to their contractual terms.





31.12.2018							
	Total Balance Sheet	Nominal inflows / (outflows)					TOTAL
		to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	More than 1 year	
<b>Liabilities- non-derivative</b>							
Due to banks	10,456,359	(6,343,206)	(907,069)	(16,372)	(76,935)	(3,297,052)	(10,640,634)
Due to customers	38,731,835	(8,829,699)	(5,256,114)	(5,140,659)	(4,405,366)	(15,396,641)	(39,028,479)
Debt securities in issue held by institutional investors and other borrowed funds	943,334	(2,269)	(10,278)	(6,503)	(329,380)	(654,611)	(1,003,041)
Other liabilities	908,514					(908,725)	(908,725)
<b>Derivatives held for assets fair value hedge</b>	5,585						-
- Outflows		(43,645)	(143,289)	(30)	(3)	(5)	(186,972)
- Inflows		43,150	136,490		14	62	179,716
<b>Derivatives held for liabilities fair value hedge</b>	374,818						-
- Outflows		(175)	(330)	(27,557)		(496,102)	(524,164)
- Inflows				7,113	14,169	474,233	495,515
<b>Derivatives held for trading</b>	767,493						-
- Outflows		(836,767)	(93,299)	(56,132)	(114,857)	(1,311,508)	(2,412,563)
- Inflows		804,797	44,670	41,024	107,048	1,156,101	2,153,640
<b>Total</b>	<b>52,187,938</b>	<b>(15,207,814)</b>	<b>(6,229,219)</b>	<b>(5,199,116)</b>	<b>(4,805,310)</b>	<b>(20,434,248)</b>	<b>(51,875,707)</b>
<b>Off Balance sheet items</b>							
Financial guarantees		(141,943)	(169,511)	(93,198)	(270,295)	(2,124,241)	(2,799,188)
<b>Total off Balance sheet items</b>	<b>-</b>	<b>(141,943)</b>	<b>(169,511)</b>	<b>(93,198)</b>	<b>(270,295)</b>	<b>(2,124,241)</b>	<b>(2,799,188)</b>

31.12.2017							
	Total Balance Sheet	Nominal inflows / (outflows)					TOTAL
		to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	More than 1 year	
<b>Liabilities- non-derivative</b>							
Due to banks	13,141,531	(9,141,649)	(462,283)	(36,054)	(72,000)	(3,889,973)	(13,601,959)
Due to customers	34,890,436	(7,143,802)	(4,279,980)	(4,330,660)	(4,103,888)	(15,431,594)	(35,289,924)
Debt securities in issue held by institutional investors and other borrowed funds	655,567	(1,778)	(3,637)	(20,122)	(11,988)	(691,599)	(729,124)
Other liabilities	867,921	(93,184)				(774,737)	(867,921)
<b>Derivative held for assets fair value hedge</b>	777						-
- Outflows		(23,759)		(771)	(18)	(17)	(24,565)
- Inflows		23,725				76	23,801
<b>Derivatives held for liabilities fair value hedge</b>	377,955						-
- Outflows		(180)	(169)	(27,557)		(523,660)	(551,566)
- Inflows			2,141	7,045	14,072	502,458	525,716
<b>Derivatives held for trading</b>	650,689						
- Outflows		(700,291)	(255,647)	(50,067)	(65,285)	(1,225,805)	(2,297,095)
- Inflows		679,401	228,484	40,999	56,440	1,031,712	2,037,036
<b>Total</b>	<b>50,584,876</b>	<b>(16,401,517)</b>	<b>(4,771,091)</b>	<b>(4,417,187)</b>	<b>(4,182,667)</b>	<b>(21,003,139)</b>	<b>(50,775,601)</b>
<b>Off balance sheet items</b>							
Financial guarantees		(132,096)	(143,641)	(131,481)	(250,184)	(2,249,477)	(2,906,879)
<b>Total off Balance sheet items</b>	<b>-</b>	<b>(132,096)</b>	<b>(143,641)</b>	<b>(131,481)</b>	<b>(250,184)</b>	<b>(2,249,477)</b>	<b>(2,906,879)</b>



## 43.4 Fair value of financial assets and liabilities

### Hierarchy of financial instruments not measured at fair value

	31.12.2018				
	Level 1	Level 2	Level 3	Total fair value	Total Carrying amount
<b>Financial Assets</b>					
Loans and advances to customers			39,676,490	39,676,490	39,909,859
<b>Financial liabilities</b>					
Due to customers			38,711,917	38,711,917	38,731,835
Debt securities in issue	513,826	6,893	433,698	954,417	943,334

	31.12.2017				
	Level 1	Level 2	Level 3	Total fair value	Total Carrying amount
<b>Financial Assets</b>					
Loans and advances to customers			42,921,009	42,921,009	43,318,193
Investment securities					
Held to maturity	9,136	1,642	97	10,875	10,870
<b>Financial liabilities</b>					
Due to customers			34,866,888	34,866,888	34,890,436
Debt securities in issue		9,246	640,424	649,670	655,567

The tables above present the fair value of financial instruments which are measured at amortised cost classified by fair value hierarchy, as well as their carrying amount value.

The fair value of loans to customers measured at amortised cost is estimated using the discount model of contractual future cash flows. The components of the discount rate are the interbank market yield curve, the liquidity premium as well as the expected loss rate. More specifically for 31.12.2018, for those loans considered as impaired for the purpose of credit risk monitoring and are individually assessed, the model used is incorporating expected future cash flows excluding expected credit loss. In this case, the interbank market yield curve and the liquidity premium serve as the discount rate. However for impaired loans assessed at product level, the fair value is based on the carrying value adjusted for the loss of the product due to credit risk.

The fair value of deposits is estimated based on the interbank market yield curve and the liquidity premium until their maturity. Held to maturity securities, which were presented during 2017 according to IAS 39 classification and debt securities in issue, the fair value of which, is calculated by using active market prices, are classified as Level 1. Held to maturity securities and debt securities in issue, the fair value of which, is calculated based on non-binding market prices provided by dealers-brokers or on the application of the income approach methodology using interest rates and credit spreads which are observable in the market, are classified as Level 2. Level 3 classifications include securities the fair value of which, is estimated using significant unobservable inputs. In this case, the fair value is provided by the issuers of the securities and confirmed by the Group or calculated internally by the Group. Additionally, Level 3 includes the Group's liabilities, related to securitized loans. The fair value of these liabilities was calculated by discounting future cash flows taking into account non-observable market data.

The fair value of other financial assets and liabilities which are valued at amortised cost does not differ materially from the respective carrying amount.



### Hierarchy of financial instruments measured at fair value

31.12.2018				
	Level 1	Level 2	Level 3	Total fair value
Derivative Financial Assets	3,547	704,963	16,663	725,173
Trading securities				
- Bonds and Treasury bills	6,669			6,669
- Shares	1,670			1,670
Securities measured at fair value through other comprehensive income				
- Bonds and Treasury bills	6,554,454	292,007	9,593	6,856,054
- Shares	9,796	26,480	69,492	105,768
Securities measured at fair value through profit or loss				
- Bonds and Treasury bills	9,085	4,410	9,516	23,011
- Other variable yield securities	19,315			19,315
- Shares			468	468
Loans measured at fair value through profit or loss			318,460	318,460
Derivative Financial Liabilities	5	1,147,890		1,147,895

31.12.2017				
	Level 1	Level 2	Level 3	Total fair value
Derivative Financial Assets	7,470	588,511	26,555	622,536
Trading securities				
- Bonds and Treasury bills	5,969			5,969
- Shares	2,716			2,716
Available for sale securities				
- Bonds and Treasury bills	5,292,872	416,998	27,746	5,737,616
- Shares	44,831	23,093	47,906	115,830
- Other variable yield securities	20,323			20,323
Derivative Financial Liabilities		1,029,421		1,029,421

The tables above present the fair value hierarchy of financial instruments which are measured at fair value based on the inputs used for the fair value measurement.

Securities traded in an active market and exchange-traded derivatives are classified into Level 1.

Securities whose fair value is calculated based on non-binding market prices provided by dealers-brokers or on the application of the income approach methodology using interest rates and credit spreads which are observable in the market, are classified as Level 2.

Level 3 classifications include securities whose fair value is estimated using significant unobservable inputs.

The valuation methodology of securities is subject to approval by the Treasury and Balance Sheet Management / Assets – Liabilities Management Committees. It should be noted that for the securities whose fair value is calculated based on market prices, bid prices are considered and daily checks are performed with regards to their change in fair value.

For the fair value estimation of loans to customers at fair value through profit and loss, it is implemented the valuation methodology that has been described earlier within the disclosure related to fair value of loans to customers at amortised cost.

Shares whose fair value is calculated are classified to Level 2 or Level 3, depending on the extent of the contribution of unobservable data to calculate final fair value. The fair value of non listed shares, as well as shares not traded in an active market



is determined either based on the Group's share on the issuer's equity or by the multiples valuation or the estimations made by the Group which relate to the future profitability of the issuer, taking into account the expected growth rate of its operations, as well as the weighted average rate of capital return which is used as discount rate.

For the valuation of over the counter derivatives income approach methodologies are used: discounted cash flow models, option-pricing models or other widely accepted valuation models. The valuation methodology of over the counter derivatives is subject to approval by the Treasury and Assets – Liabilities Management Committees. Mid prices are considered as both long and short positions may be outstanding. Valuations are checked on a daily basis with the respective prices of the counterparty banks in the context of the daily process of provision of collaterals and settlement of derivatives. If the non observable inputs are significant, the fair value that arises is classified as Level 3 or otherwise as Level 2.

Additionally, the Group estimates a Credit Valuation Adjustment by taking into account counterparty credit risk for Derivative Financial Instruments trading in OTC. More specifically, taking into consideration the credit risk, the Group estimates bilateral credit valuation adjustments (BCVA) for the OTC derivatives held on a counterparty level according to netting and collateral agreements in force. BCVA is calculated across all counterparties with a material effect on the respective derivative fair values taking into consideration the default probability of both the counterparty and Alpha Group, the impact of first to default, the expected OTC derivative exposure and loss given default of the counterparty and of Alpha Group and the specific characteristics of netting and collateral agreements in force.

Collateral is simulated along with the derivative portfolio exposure over the life of the related instruments. Calculations performed depend largely on observable market data. Market quoted counterparty and group CDS spreads are used in order to derive the respective probability of default, a market standard recovery rate is assumed for developed market counterparties, correlations between market data are taken into account and a series of simulations is performed to model the portfolio exposure over the life of the related instruments. In the absence of quoted market data, counterparty and loss given default are provided by the group's internal credit and facility rating systems for the valuation of collaterals and credit worthiness.

A breakdown of BCVA across counterparty sectors and credit quality (as defined for presentation purposes of the table "Analysis of neither past due nor impaired Loans and Advances to customers) is given below:

	31.12.2018	31.12.2017
<b>Category of counterparty</b>		
Enterprises	(4,841)	(7,184)
Governments	(25,249)	(12,538)

	31.12.2018	31.12.2017
<b>Hierarchy of counterparty by credit quality</b>		
Strong	(371)	(288)
Satisfactory	(25,246)	(12,326)
Watch list (higher risk)	(4,473)	(7,108)



The table below presents the valuation methods used for the measurement of Level 3 fair value:

31.12.2018				
	Total Fair Value	Fair Value	Valuation Method	Significant Non-observable Inputs
Derivative Financial Assets	16,663	2,098	Discounted cash flows with interest being the underlying instruments, taking into account the credit risk	The probability of default and loss given default of the counterparty (BCVA adjustment) calculated using an internal model
		14,565	Option discounting taking into account the credit risk of the counterparty	Credit spread
Bonds measured at fair value through other comprehensive income	9,593	9,593	Based on issuer price / Discounted cash flows with estimation of bond yields	Issuer price/bond yields
Shares measured at fair value through other comprehensive income	69,492	69,492	Discounted cash flows / Based on Group's share in issuer's equity / Multiples valuation	Future profitability of the issuer, expected growth/ Issuer's equity / Valuation indices
Bonds measured at fair value through profit or loss	9,516	9,516	Based on issuer price / Discounted cash flows with estimation of credit risk	Issuer price / Credit spread
Shares measured at fair value through profit or loss	468	468	Discounted cash flows/ Based on Group's share in issuer's equity / Multiples valuation / Price of forthcoming transaction	Future profitability of the issuer, expected growth/ Issuer's equity / Valuation indices
Loans measured at fair value through profit or loss	318,460	318,460	Discounted cash flows with interest being the underlying instruments, taking into account the counterparty's credit risk	Expected loss and cash flows from counterparty' credit risk

31.12.2017				
	Total Fair Value	Fair Value	Valuation Method	Significant Non-observable Inputs
Derivative Financial Assets	26,555	11,629	Discounted cash flows with interest being the underlying instruments, taking into account the credit risk	The probability of default and loss given default of the counterparty (BCVA adjustment) calculated using an internal model
		14,812	Option discounting taking into account the credit risk of the counterparty	Credit spread
		114	Discounted cash flows with interest rates being the underlying instrument	Valuation of reserve adequacy for payment of hybrid securities' dividends
Available for sale bonds	27,746	27,746	Based on issuer price/Discounted cash flows with estimation of credit risk	Issuer price / Credit spread
Available for sale shares	47,906	47,906	Discounted cash flows / Multiples valuation method	Future profitability of the issuer

The Group recognizes the transfer between fair value hierarchy Levels at the end of the reporting period.

Within the year, € 34,159 of Greek corporate bonds were transferred from Level 1 to Level 2, as the liquidity margin (bid-ask spread) moved above the limit set for the characterization of market as active. In addition, other governments bonds were transferred from Level 2 to Level 1 amounting to € 69,842 as the liquidity margin (bid-ask spread) moved in the limit set for the characterization of market as active.



A reconciliation for the movement of financial instruments measured at fair value in Level 3 is depicted below:

<b>31.12.2018</b>				
	<b>Assets</b>			
	<b>Securities measured at fair value through other comprehensive income</b>	<b>Securities measured at fair value through profit or loss</b>	<b>Loans measured at fair value through profit or loss</b>	<b>Derivative financial assets</b>
<b>Opening balance (after the implementation of IFRS9)</b>	<b>67,499</b>	<b>8,153</b>	<b>381,741</b>	<b>26,555</b>
Total gain or loss recognized in Income Statement:	1,017	1,668	(14,455)	2,310
- Interest	1,561	814	13,280	287
- Gains less losses on financial transactions and impairments on Group companies	15	854	(27,735)	2,023
- Impairment losses	(559)			
Total gain or loss recognized in Equity	1,076			
Total gain or loss recognized in Retained Earnings	(5,008)			
Purchases / Disbursements	28,406	713	46,752	
Sales		(550)		
Repayments	(3,448)		(69,933)	(1,559)
Transfer out Level 3 to Level 2	(10,457)			(10,643)
Transfer to assets "Held for sale"			(25,645)	
<b>Balance 31.12.2018</b>	<b>79,085</b>	<b>9,984</b>	<b>318,460</b>	<b>16,663</b>
Gain/(loss) included in the income statement and relate to financial instruments included in the balance sheet at the end of the reporting period 1.1 - 31.12.2018.	840	1,690	(15,999)	2,310
Interests	1,384	814	12,027	287
- Gains less losses on financial transactions and impairments on Group companies	15	876	(28,026)	2,023
- Impairment losses	(559)			

During the year, a bond amounting to € 10,457 and derivatives amounting to € 10,643 were transferred from Level 3 to Level 2, since observable parameters were used for valuation purposes.



31.12.2017				
	Assets		Liabilities	
	Available for sale securities	Derivative financial assets	Derivative financial liabilities	Convertible bond loan
<b>Opening balance 1.1.2017</b>	<b>63,313</b>	<b>5,359</b>		<b>(13,995)</b>
Total gain/(loss) recognized in Income Statement:	9,287	17,254		1,790
- Interest	722	962		
- Gains less losses on financial transactions and impairments on Group companies	8,565	16,292		
Total gain/(loss) recognized in equity	161			
Purchases/Issues	31,347			
Sales	(49,359)	(4,155)		
Repayments/Settlements	(945)			12,205
Transfers in Level 3 from Level 2	22,971	8,732		
Transfers out Level 3 to Level 1	(1,113)			
Transfers out Level 3 to Level 2	(10)	(635)		
<b>Balance 31.12.2017</b>	<b>75,652</b>	<b>26,555</b>	<b>-</b>	<b>-</b>
Amounts included in the Income Statement for financial instruments held at the year end 1.1.-31.12.2017	(2,450)	17,254		
- Interest	538	962		
- Gains less losses on financial transactions and impairments on Group companies	(2,988)	16,292		

During 2017, a bond was transferred from Level 2 to Level 3 amounting to € 22,971, since non observable parameters were used for valuation purposes. In addition, during 2017, a bond was transferred from Level 3 to Level 2 amounting to € 10, since observable parameters were used for valuation purposes. In addition, during 2017, listed shares were transferred from Level 3 to Level 1 amounting to € 1,113, due to their valuation on the stock exchange value.

Finally, in the context of the debt restructuring of a certain borrower, the Group acquired the option to purchase a stake in its share capital for a symbolic price. This option was recognized as a derivative with a fair value of € 14,097 (31.12.2017: € 14,812).



Sensitivity analysis for Level 3 financial instruments that their valuation was based on non-observable data is presented in the following table:

	Significant Non-observable inputs	Quantitative information on non-observable inputs	Significant non-observable inputs change	Total effect in income statement		Total effect in equity	
				Favourable variation	Unfavourable variation	Favourable variation	Unfavourable variation
Derivative Financial Assets	The probability of default and loss given default of the counterparty (BCVA adjustment) calculated using an internal model	Average probability of default equal to 100% and average loss in the case of default of counterparty equal to 76%	Increase the probability of default through reduction of internal ratings by 2 scales/ increase the loss given default by 10%		(905)		
	Credit spread	Credit spread equal to 300 bps	Increase of Credit spread by 10%		(776)		
Bonds measured at fair value through other comprehensive income	Issuer price – Bond yield	Bond yield equal to 8.26%	Variation +/- 10% in issuer price, +/-10% in estimated return			215	(208)
Shares measured at fair value through other comprehensive income	Valuation indexes	Indexes P/B 0.99x and EV/Sales 16,0x	Variation +/- 10% in P/B and EV/ Sales Indexes (multiples valuation method)			509	(509)
Bonds measured at fair value through profit or loss	Issuer price/credit spread	Issuer price equal to 59.74% Average credit spread equal to 1064bps	Variation +/- 10% in issuer Price, +/- 10% in adjustment of estimated Credit Risk	770	(755)		
Loans measured at fair value through profit or loss	Expected credit loss and cash flows from credit risk of the counterparty	Average credit spread & liquidity premium equal to 29.21%	Decrease of the expected cash flows by 10% on loans individually assessed		(10,881)		
<b>Total</b>				<b>770</b>	<b>(13,317)</b>	<b>724</b>	<b>(717)</b>

There are no significant interrelationship between the non-observable data that significantly affect the fair value.

### 43.5 Transfers of financial assets

The Group in its ordinary course of business, transfers financial assets. In cases that, despite the fact that the contractual right to receive cash flows has been transferred the risks and rewards remain with the Group, these assets continue to be recognized on the balance sheet.

On 31.12.2018, the financial assets that have not been derecognized despite the contractual transfer of their cash flows, are derived from the following two categories of transactions:

#### a) Securitizations of financial assets

The Bank has securitized corporate, consumer loans and credit cards while its subsidiary Alpha Leasing A.E. finance lease receivables, in order to absorb liquidity from the Eurosystem. In the context of these transactions, these items have been transferred to special purpose entities fully consolidated by the Group, which have proceeded to the issuance of bonds. Securitized financial assets continue to be recognized as loans and advances to customers, since the Group continues in all cases to retain the rewards and risks associated with them. This is justified by several factors which include the full consolidation of special purpose entities, the fact that the Bank owns these bonds and the entitlement bonds to the deferred





consideration from the transfer. Given that bonds are owned by the Group, no liabilities actually arise from the transfer. The carrying amount of the securitized loans and credit cards on 31.12.2018 amounts to € 3,323,619 (31.12.2017: € 3,390,710).

In addition, during the current year, the Bank proceeded to shipping loans securitization transaction through the fully consolidated special purpose company Alpha Shipping Finance Ltd. These loans are recognized in the category of loans and trade receivables as the Group retains the risks and benefits of the portfolio through entitlement to deferred consideration paid. The carrying amount of the securitized shipping loans and the bonds which are issued of the SPE, which are not held, as at 31.12.2018 amounted to € 498,904 and € 268,277 respectively (31.12.2017: € 523,422 and € 317,066 respectively). The fair value of loans as at 31.12.2018 amounted to € 511,636 (31.12.2017: € 523,300) and the debt security at € 277,510 (31.12.2017: € 331,157).

Finally, the Bank securitized corporate loans to small and medium enterprises, through Alpha Proodos DAC, a fully consolidated special purpose entity. These loans continue to be recognized in loans and advances to customers considering that the Group retains the risks and rewards of these, by owning the subordinated bonds and the entitlement of deferred consideration. The carrying value of the above securitized loans and the bonds issued from the special purpose entity that are not owned amounts to € 401,803 and € 156,384 at 31.12.2018, respectively (31.12.2017: € 586,679 and € 319,656, respectively). On 31.12.2018, fair value of loans amounts to € 423,085 and € 156,188 for the bonds respectively (31.12.2017: € 611,236 and € 299,392, respectively).

#### b) Sale and repurchase agreements of debt securities

The Group on 31.12.2018 proceeded with the transfer of Greek Government Bonds and Treasury Bills, bonds of other issuers, bonds of other countries with a repurchase agreement. These securities are still included in the Group's investment portfolio and the respective figures are presented in the following table.

<b>31.12.2018</b>			
	<b>Securities measured at fair value through other comprehensive income</b>		
	<b>Bonds &amp; Greek Government Treasury Bills</b>	<b>Other Issuers' Bonds</b>	<b>Other Government Bonds</b>
Carrying amount of transferred securities	2,883,561	42,433	13,219
Carrying amount of related liability	(2,345,399)	(32,501)	(11,506)
Fair value of transferred securities	2,883,561	42,433	13,219
Fair value of related liability	(2,345,399)	(32,501)	(11,506)
<b>Equity</b>	<b>538,162</b>	<b>9,932</b>	<b>1,713</b>

The respective figures of 2017 are presented in the following table:

<b>31.12.2017</b>			
	<b>Available for sale portfolio</b>		
	<b>Greek Government Treasury Bills</b>	<b>Other Issuers' Bonds</b>	<b>Other Government Bonds</b>
Carrying amount of transferred securities	297,226	114,558	15,424
Carrying amount of related liability	(228,765)	(91,224)	(13,682)
Fair value of transferred securities	297,226	114,558	15,424
Fair value of related liability	(228,765)	(91,224)	(13,682)
<b>Equity</b>	<b>68,461</b>	<b>23,334</b>	<b>1,742</b>

The Group on 31.12.2017, proceeded with the transfer of Greek Government Treasury Bills, bonds of other issuers and bonds of other states with a repurchase agreement. These securities are still included in the Group's investment portfolio and the respective figures are presented in the table above.



### 43.6. Offsetting financial assets - liabilities

The following tables present derivative transactions under contracts of the International Swaps and Derivatives Association (ISDA), which are signed with credit institutions as counterparties, along with repurchase agreements for which there is in force global master repurchase agreement. In accordance with these contracts, the Group is able to offset its assets and liabilities relating to a counterparty in case of a credit default.

#### Financial assets subject to offsetting

31.12.2018						
	Gross amount of recognized financial assets	Gross amount of recognized financial liabilities offset	Net amount of financial assets presented in the balance sheet	Related amounts not offset		Net amount
				Financial instruments	Cash collateral received	
Derivatives	609,270		609,270	(169,701)	(45,402)	394,167
Reverse repos	498,901		498,901	(498,901)		

31.12.2017						
	Gross amount of recognized financial assets	Gross amount of recognized financial liabilities offset	Net amount of financial assets presented in the balance sheet	Related amounts not offset		Net amount
				Financial instruments	Cash collateral received	
Derivatives	500,015		500,015	(128,447)	(67,572)	303,995
Reverse repos	39,654		39,654	(39,650)	(4)	

#### Financial liabilities subject to offsetting

31.12.2018						
	Gross amount of recognized financial liabilities	Gross amount of recognized financial assets offset	Net amount of financial liabilities presented in the balance sheet	Related amounts not offset		Net amount
				Financial instruments	Cash collateral given	
Derivatives	1,135,353		1,135,353	(169,701)	(964,749)	903
Repos	906,481		906,481	(498,901)	(2,309)	405,271

31.12.2017						
	Gross amount of recognized financial liabilities	Gross amount of recognized financial assets offset	Net amount of financial liabilities presented in the balance sheet	Related amounts not offset		Net amount
				Financial instruments	Cash collateral given	
Derivatives	1,026,362		1,026,362	(128,447)	(896,400)	1,515
Repos	39,650		39,650	(39,650)		

**Reconciliation of the net amount of financial assets and liabilities presented in the balance sheet**

31.12.2018				
	Note	Net amount presented in the balance sheet	Carrying amount of financial assets in the balance sheet	Financial assets not in scope of offsetting disclosures
<b>Type of financial asset</b>				
Derivative financial instruments	18	609,270	725,173	115,903
Reverse repos	16	498,901	547,180	48,279

31.12.2018				
	Note	Net amount presented in the balance sheet	Carrying amount of financial liabilities in the balance sheet	Financial liabilities not in scope of offsetting disclosures
<b>Type of financial liability</b>				
Derivative financial instruments	18	1,135,353	1,147,895	12,542
Repos	16	906,481	6,421,829	5,515,348

31.12.2017				
	Note	Net amount presented in the balance sheet	Carrying amount of financial assets in the balance sheet	Financial assets not in scope of offsetting disclosures
<b>Type of financial asset</b>				
Derivative financial instruments	18	500,015	622,536	122,522
Reverse repos	16	39,654	39,654	

31.12.2017				
	Note	Net amount presented in the balance sheet	Carrying amount of financial liabilities in the balance sheet	Financial liabilities not in scope of offsetting disclosures
<b>Type of financial liability</b>				
Derivative financial instruments	18	1,026,362	1,029,421	3,059
Repos	16	39,650	2,306,720	2,267,070

In addition, it is acquainted that within the framework of the abovementioned contracts, apart from the cash, securities of nominal amount of € 400,000 (31.12.2017: € 300,000) have been used as collateral.

**44. Impact of the implementation of IFRS 9**

The new accounting standard IFRS 9 will replace IAS 39 for annual periods on or after 1 January 2018, which impose fundamental changes in the way financial instruments are classified and measured. For the application of the new standard, the Group has completed an Implementation Program, which was organized around two main work streams, the classification and measurement work stream and the impairment work stream. The Committees of the Board of Directors (the Audit Committee and the Risk Management Committee) have assumed an active role including involvement in the decision making process on key assumptions and decisions related to the Implementation Program.

On the completion of the Implementation Program, new policies have been developed for the classification, measurement and impairment of financial instruments that have been approved by the Committees of the Board of Directors. New methodologies and procedures have also been implemented to support these new policies.



The following table presents reconciliation of the transition from IAS 39 to IFRS 9 as at 1.1.2018.

	Balance 31.12.2017 IAS 39	Reclassification	Valuation Impact	Balance 1.1.2018 IFRS 9
<b>ASSETS</b>				
Cash and balances with central banks	1,593,850			1,593,850
Due from banks	1,715,649		(274)	1,715,375
Trading securities	8,685	6,495		15,180
Derivative financial assets	622,536			622,536
Loans and advances to customers, at amortised cost	43,318,193	(380,072)	(1,425,814)	41,512,307
Loans and advances to customers, at fair value through profit and loss	-	380,072	1,669	381,741
Investment securities				
- Available for sale	5,873,768	(5,873,768)		-
- Held to maturity	10,870	(10,870)		-
- Fair value through other comprehensive income	-	5,840,340	108	5,840,448
- Fair Value through profit and loss	-	37,803	(96)	37,707
Investments in associates	18,886			18,886
Investment property	553,343			553,343
Property, plant and equipment	733,833			733,833
Goodwill and other intangible assets	389,809			389,809
Deferred tax assets	4,330,602		391,835	4,722,437
Other Assets	1,348,785			1,348,785
Assets held for sale	288,977		(488)	288,489
<b>Total Assets</b>	<b>60,807,786</b>	<b>-</b>	<b>(1,033,060)</b>	<b>59,774,726</b>
<b>Liabilities</b>				
Due to banks	13,141,531			13,141,531
Derivative financial liabilities	1,029,421			1,029,421
Due to customers (including debt securities issued by the Group)	34,890,436			34,890,436
Debt securities in issue and other borrowed funds	655,567			655,567
Liabilities for current income tax and other taxes	42,761			42,761
Deferred tax liabilities	24,997		(94)	24,903
Employee defined benefit obligations	92,038			92,038
Other Liabilities	870,682			870,682
Provisions	433,240		109,311	542,551
Liabilities associated with assets held for sale	422			422
<b>Total Liabilities</b>	<b>51,181,095</b>	<b>-</b>	<b>109,217</b>	<b>51,290,312</b>
<b>Equity</b>				
Equity attributable to equity owners of the Bank				
Share capital	463,110			463,110
Share premium	10,801,029			10,801,029
Reserves	808,951	(30,220)	67,279	846,010
Retained earnings	(2,490,040)	30,220	(1,209,556)	(3,669,376)
	9,583,050	-	(1,142,277)	8,440,773
Non-controlling interests	28,534			28,534
Hybrid securities	15,107			15,107
<b>Total Equity</b>	<b>9,626,691</b>	<b>-</b>	<b>(1,142,277)</b>	<b>8,484,414</b>
<b>Total Liabilities and Equity</b>	<b>60,807,786</b>	<b>-</b>	<b>(1,033,060)</b>	<b>59,774,726</b>

The existing portfolio on 1.1.2018, has been classified as follows:

- Loans and advances to customers and due from banks will be included in business models that permit the classification of instruments at amortised cost (hold to collect), to the extent that from the assessment of their contractual terms it is concluded that their contractual cash flows meet the definition of principal and interest as defined by the new Standard (SPPI test). Upon transition, only a limited number of existing loans to customers failed the SPPI test. The main reasons which caused the SPPI test to fail include the existence of conditions under which the Bank is not entitled to claims of unpaid amounts (these terms are either expressed explicitly in the contractual agreements or implicitly arise in the case



of loans to special purpose entities on which a substantial part of the asset's value is financed or the cash flows from the assets are not sufficient to repay the loan and at the same time, the entity's equity is inadequate and there are no sufficient collaterals) or the existence of shares conversion clauses into the borrower's shares.

- b. For bonds and in general for fixed income investments, the Group has identified the following business models:
- business model that aims to hold the financial instruments in order to collect their contractual cash flows (hold to collect),
  - business model, that aims to both collect the contractual cash flows and sell the financial asset (hold to collect and sell)
  - trading portfolio

During the transition to the new standard, the majority of the bonds were classified into the business model, whose objective is achieved both by collecting contractual cash flows and by selling financial assets and, therefore, to the extent that their cash flows were solely principal and interest on the principal amount outstanding, were classified in the fair value through other comprehensive income category. Bonds classified in the trading portfolio as well as those whose cash flows did not represent solely of principal and interest on the principal amount outstanding were classified in the portfolio of debt securities measured at fair value through profit or loss.

- c. The Group has opted to measure at fair value through other comprehensive income, its equity instruments in the banking sector or private equity participations and long term equity holdings that meet the definition of an equity instruments. The changes in fair value as well as any gains or losses are recognized directly in equity without being recycled to profit or loss. Any dividends that will be received are recognized in profit or loss.
- d. All other investments in equity instruments, as well as in mutual funds that do not meet the definition of an equity instrument, are measured at fair value through profit or loss.

Based on the classification options described above, under b, c and d, available for sale securities of € 5,873,768 as at 31.12.2017, were reclassified as follows: € 6,495 to trading securities, € 5,838,891 to securities measured at fair value through other comprehensive income and € 28,382 to securities measured at fair value through profit or loss. Following these reclassifications, total equity remained unchanged.

Securities held to maturity of € 10,870 as at 31.12.2017, were reclassified as follows: € 1,448 to securities measured at fair value through other comprehensive income and € 9,422 to securities measured at fair value through profit or loss. Following these reclassifications, total equity has been positively affected by € 12.

- e. Derivatives included in the trading portfolio have not been affected as they are measured at fair value through profit or loss both before and after the implementation of IFRS 9.
- f. The Group has not opted to designate at initial recognition debt securities as measured at fair value through profit or loss.

Financial liabilities are measured at amortised cost; thus they are not affected by the implementation of IFRS 9 and there was no need to separately measure or present changes in fair value due to credit risk.

The following table presents the impact after tax, of the transition to IFRS 9 on reserves and retained earnings.

<b>Reserve of financial assets measured at fair value through other comprehensive income</b>	
<b>Balance as at 31.12.2017 in accordance with IAS 39</b>	<b>472,614</b>
Reclassification of bonds of the investment portfolio to fair value through profit and loss	(1,880)
Reclassification of shares of the investment portfolio to fair value through other comprehensive income	(25,980)
Reclassification of other securities of the investment portfolio at fair value through profit and loss	(2,360)
Recognition of expected credit loss in accordance with IFRS 9 for bonds at fair value through other comprehensive income	87,411
Income tax	(20,244)
<b>Balance as at 1.1.2018 in accordance with IFRS 9</b>	<b>509,561</b>



<b>Retained earnings in accordance with IAS 39</b>	
<b>Balance 31.12.2017 in accordance with IAS 39</b>	<b>(2,490,040)</b>
Reclassification in accordance with IFRS 9 of shares of the investment portfolio to fair value through other comprehensive income	25,980
Reclassification in accordance with IFRS 9 of other securities of the investment portfolio at fair value through profit and loss	2,360
Reclassification in accordance with IFRS 9 of bonds of the investment portfolio at fair value through profit and loss	1,880
Expected credit loss and valuation of financial instruments in accordance with IFRS 9	(1,621,729)
Income Tax	412,173
<b>Balance at 1.1.2018 in accordance with IFRS 9</b>	<b>(3,669,376)</b>

The following table presents a reconciliation of accumulated provision for impairment losses of financial assets between IAS 39 and IFRS 9 as at 31.12.2017 and as at 1.1.2018, respectively.

It is noted that the accumulated provision for impairment losses, in regards with the following disclosure, includes the adjustment for the contractual loans which were acquired at fair value during the acquisition of assets or companies (i.e. Emporiki Bank and Citibank's retail operations in Greece), since the Group monitors from credit risk prospective, the respective adjustment as part of the provisions.

	31.12.2017 IAS 39	Reclassification of loans to fair value through profit or loss	Other Reclassifications	Remeasurement	1.1.2018 IFRS 9
Financial Assets					
Due from banks	41,961		28,000	274	70,235
Advances to customers	6,323			23,359	29,682
Loans at amortised cost	13,287,704	(149,018)	(223,964)	1,402,455	14,317,177
<b>Total impairment on financial assets measured at amortised cost</b>	<b>13,335,988</b>	<b>(149,018)</b>	<b>(195,964)</b>	<b>1,426,088</b>	<b>14,417,094</b>
Investment securities measured at fair value through other comprehensive income	-			87,411	87,411
<b>Total impairment on financial assets measured at fair value through other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>87,411</b>	<b>87,411</b>
<b>Provisions for off-balance sheet items</b>	<b>787</b>			<b>109,311</b>	<b>110,098</b>



The following table presents loans measured at amortised cost per IFRS 9 Stage, as at 1.1.2018, after taking into account the impact of IFRS 9.

1.1.2018					
	(Stage) 1	(Stage) 2	(Stage) 3	Purchased or originated credit impaired loans (POCI)	Total
<b>Mortgage</b>					
Carrying amount (before provision for impairment losses)	5,854,969	3,568,067	6,702,908	3,330,396	19,456,340
Expected credit losses	(5,830)	(193,462)	(2,440,441)	(951,014)	(3,590,747)
<b>Net carrying amount</b>	<b>5,849,139</b>	<b>3,374,605</b>	<b>4,262,467</b>	<b>2,379,382</b>	<b>15,865,593</b>
<b>Consumer</b>					
Carrying amount (before provision for impairment losses)	786,259	578,563	2,180,662	1,457,525	5,003,009
Expected credit losses	(4,600)	(83,384)	(1,241,797)	(630,921)	(1,960,702)
<b>Net carrying amount</b>	<b>781,659</b>	<b>495,179</b>	<b>938,865</b>	<b>826,604</b>	<b>3,042,307</b>
<b>Credit cards</b>					
Carrying amount (before provision for impairment losses)	834,242	255,277	326,830	117,847	1,534,196
Expected credit losses	(8,845)	(66,788)	(251,398)	(103,679)	(430,710)
<b>Net carrying amount</b>	<b>825,397</b>	<b>188,489</b>	<b>75,432</b>	<b>14,168</b>	<b>1,103,486</b>
<b>Small business loans</b>					
Carrying amount (before provision for impairment losses)	320,367	611,585	3,722,881	1,229,200	5,884,033
Expected credit losses	(2,287)	(76,257)	(1,516,419)	(759,153)	(2,354,116)
<b>Net carrying amount</b>	<b>318,080</b>	<b>535,328</b>	<b>2,206,462</b>	<b>470,047</b>	<b>3,529,917</b>
<b>Total retail lending</b>					-
Carrying amount (before provision for impairment losses)	7,795,837	5,013,492	12,933,281	6,134,968	31,877,578
Expected credit losses	(21,562)	(419,891)	(5,450,055)	(2,444,767)	(8,336,275)
<b>Net carrying amount</b>	<b>7,774,275</b>	<b>4,593,601</b>	<b>7,483,226</b>	<b>3,690,201</b>	<b>23,541,303</b>
<b>Corporate lending and public sector</b>					
Carrying amount (before provision for impairment losses)	9,598,415	3,393,674	9,062,828	1,691,625	23,746,542
Expected credit losses	(101,141)	(193,478)	(4,615,435)	(1,070,848)	(5,980,902)
<b>Net carrying amount</b>	<b>9,497,274</b>	<b>3,200,196</b>	<b>4,447,393</b>	<b>620,777</b>	<b>17,765,640</b>
<b>Total loans and advances to customers</b>					
Carrying amount (before provision for impairment losses)	17,394,252	8,407,166	21,996,109	7,826,593	55,624,120
Expected credit losses	(122,703)	(613,369)	(10,065,490)	(3,515,615)	(14,317,177)
<b>Net carrying amount</b>	<b>17,271,549</b>	<b>7,793,797</b>	<b>11,930,619</b>	<b>4,310,978</b>	<b>41,306,943</b>

“Loans impaired at initial recognition” include loans amounting to € 871,492 which as at 1.1.2018 are not credit impaired/ Non Performing Exposures.



The following table shows investment securities at Fair value through Other Comprehensive Income by IFRS 9 Stage as reported of 1st January 2018 after the impact of IFRS 9.

	Investment portfolio securities measured at fair value through other comprehensive income		
	(Stage) 1	(Stage) 2	Total
Balance as at 1.1.2018 in accordance with IFRS 9	5,695,774	28,832	5,724,606
Expected Credit Losses	(84,312)	(3,099)	(87,411)

### Supervisory impact of the implementation of IFRS 9

On October 25, 2017 a political agreement was reached between the European Parliament, the European Council and the European Commission on the proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) 575/2013 regarding the transition period to mitigate the impact of the introduction of IFRS 9 on regulatory capital. The regulation (2395/2017) was adopted by the European Parliament and the Council and was published in the Official Gazette of the European Union on 12 December 2017.

In accordance with the transitional provisions, it is allowed that banks may, from the first date of application of IFRS 9 and for a period of five years, add to the CET1 ratio the post-tax amount of the difference in provisions that will result from the transition to the new IFRS 9 in relation to the provisions that would have been recognized at 31.12.2017 in accordance with IAS 39 ("Static" amount). The amount of the difference in provisions to be added to CET1 ratio will decrease annually on a weighting basis so that the amount of provisions added to the CET1 ratio gradually decreases, until the full impact of IFRS 9 is absorbed by the end of the five-year period (phase-in). The weighting factors were set per year at 0.95 in the first year, 0.85 in 2nd, 0.7 in 3rd, 0.5 in 4th and 0.25 in the last year.

In addition, for a period of five years from the first application of IFRS 9, banks may add/restore to the CET1 ratio the amount, weighted annually with the aforementioned weighting factors, of the post-tax provisions of the impairment categories 1 & 2 at the date of the annual financial statements, to the extent that it exceeds the amount of the corresponding provisions at the date of initial application of IFRS 9 (1.1.2018). Impairment categories 1 and 2 are respectively defined as the expected impairment losses based on the 12 month expected credit losses and the lifetime expected credit losses, excluding credit-impaired financial instruments.

Alpha Bank makes use of Article 473a of the above Regulation and will apply the transitional provisions for the calculation of Capital Adequacy on both a standalone and consolidated basis. The Bank is adequately capitalized to meet the needs arising from the application of the new standard as the Group Common Equity Tier 1 (CET 1) ratio stands at 17.4% as at 31.12.2018, while the impact from the full implementation is estimated at approximately 3.4% and the ratio stands at 14% as at 31.12.2018, for the Group.

## 45. Capital adequacy

The policy of the Group is to maintain a strong capital base, in order to ensure the Bank's development, and the trust of depositors, shareholders, markets and business partners.

Share capital increases are conducted following resolutions of the General Meeting of Shareholders or of the Board of Directors, in accordance with the Articles of Incorporation and the relevant laws.

For the period that the Hellenic Financial Stability Fund (HFSF) participates in the Share Capital of the Bank, the purchase of own shares is not allowed without its approval, according to the Relationship Framework Agreement (RFA) which has been signed between the Bank and the HFSF.

The Capital Adequacy Ratio compares the Group's regulatory capital with the risks that the Group undertakes (Risk Weighted





Assets-RWAs). Regulatory capital includes CET1 capital (share capital, reserves, minority interests), additional Tier 1 capital (hybrid securities) and Tier 2 capital (subordinated debt). RWAs include the credit risk of the investment portfolio, the market risk of the trading portfolio and operational risk.

Alpha Bank, as a systemic bank, is supervised by the Single Supervisory Mechanism (SSM) of the European Central Bank (ECB), since November 2014, to which reports are submitted every quarter. The supervision is conducted in accordance with the European Regulation 575/2013 (CRR) and the relevant European Directive 2013/36 (CRD IV), which was incorporated into the Greek Law through the Law 4261/2014. The framework is broadly known as Basel III.

According to the above regulatory framework, for the calculation of capital adequacy ratio the effective transitional arrangements are followed. In addition:

- Besides the 8% capital adequacy limit, there are applicable limits for Common Equity Ratio and Tier I ratio of 4,5% and 6%, respectively
- The maintenance of capital buffers additional to the Common Equity Capital, from 1.1.2016 and gradually until 31.12.2019, is required. In particular:
  - Since 1.1.2018 a capital buffer of 1.875% exists which will rise to 2.5% on 1.1.2019.
  - Bank of Greece, through Executive Committee Acts, set the following capital buffers for 2018:
    - Countercyclical capital buffer equal to «zero percent» (0%) for 2018.
    - Other systemically important institutions' (O-SII) buffer «zero percent» (0%) for 2018.

These limits should be met both on a standalone and on a consolidated basis.

	31.12.2018 (estimation)	31.12.2017
Common Equity Tier I	17.4%	18.3%
Tier I	17.4%	18.3%
<b>Capital Adequacy Ratio</b>	<b>17.4%</b>	<b>18.4%</b>

The decrease in the phase-in ratios compared to 31.12.2017, by 0.9% in CET1 ratio and Tier I ratio and by 1% in Capital Adequacy Ratio, is mainly due to the fact that the Deferred Tax Assets, which were recognized in the financial statements, exceeded the supervisory threshold of 10%, resulting in their deduction from the regulatory capital.

Supervisory disclosures regarding capital adequacy and risk management in accordance with Regulation 575/2013 (Pillar III) will be published on the Bank's website.

On 8 February 2019, the ECB informed Alpha Bank that since 1st March 2019 the minimum limit for the Overall Capital Requirement (OCR) is 13.75%, increased by 0.875%, due to the fully phased-in capital conservation buffer and the gradual increase of the O-SII buffer. The OCR is composed by the minimum own funds requirements (8%), according to article 92(1) of the CRR, the additional Pillar II own funds requirements (P2R), according to article 16(2) (a) of the Regulation 1024/2013/EU, and the combined buffer requirements (CBR), according to article 128(6) of the Directive 2013/36/EU. The above minimum ratio should be maintained on a phase-in basis under applicable transitional rules of the CRR/CRD IV, at all times.

Alpha Bank successfully concluded the 2018 Stress Test which was conducted based on a static balance sheet approach under a baseline and an adverse macro scenario with a 3 year forecasting horizon (2018-2020). The starting point was December 31st, 2017, restated to account for IFRS 9 impact. Impact was assessed in terms of CET1 ratio. No hurdle rate or capital thresholds were applied for this exercise.

Under the baseline scenario, 2020 CET1 ratio reached 20.4%, following an aggregate impact of +212 bps mainly driven by a strong pre provision income generation.

Under the adverse scenario, 2020 CET1 ratio stood at 9.7%, down by 856 bps, largely driven by the negative impact of credit risk resulting from the stressed macro environment and methodological constraints.



Based on feedback received by the Single Supervisory Mechanism (SSM), the Stress Test outcome, along with other factors, have been assessed by its Supervisory Board, pointing to no capital shortfall. Therefore, no capital plan was required, as a result of the exercise.

	31.12.2017	31.12.2020	
		Baseline scenario	Adverse scenario
CET1 (in millions euro)	8,987	10,380	4,745
RWAs (in millions euro)	49,240	50,949	48,982
CET1 (%)	18.30%	20.40%	9.70%

#### 46. Related-party transactions

The Bank enters into a number of transactions with related parties in the normal course of business. These transactions are performed at arm's length and are approved by the Bank's committees.

a. The outstanding balances of the Group's transactions with key management personnel consisting of members of the Bank's Board of Directors and Executive Committee, their close family members and the entities controlled by them, as well as, the results related to these transactions are as follows:

	31.12.2018	31.12.2017*
<b>Assets</b>		
Loans and advances to customers	1,299	1,510
<b>Liabilities</b>		
Due to customers	6,524	10,438
Employee defined benefit obligations	251	244
<b>Total</b>	<b>6,775</b>	<b>10,682</b>
<b>Letters of guarantee and approved limits</b>	<b>2,022</b>	<b>2,075</b>

	FROM 1 JANUARY TO	
	31.12.2018	31.12.2017*
<b>Income</b>		
Interest and similar income	45	47
Fee and commission income	4	3
<b>Total</b>	<b>49</b>	<b>50</b>
<b>Expenses</b>		
Interest expense and similar charges	193	15
Fees paid to key management and close family members	3,716	3,604
<b>Total</b>	<b>3,909</b>	<b>3,619</b>

\* Several figures of the previous year have been restated in order to be comparable.



b. The outstanding balances with the Group's, associates and joint ventures as well as the results related to these transactions are as follows:

	31.12.2018	31.12.2017
<b>Assets</b>		
Loans and advances to customers	61,505	149,358
Other Assets	2,000	1,531
<b>Total</b>	<b>63,505</b>	<b>150,889</b>
<b>Liabilities</b>		
Due to customers	23,124	19,172
Other Liabilities	4,473	1,270
<b>Total</b>	<b>27,597</b>	<b>20,442</b>

	FROM 1 JANUARY TO	
	31.12.2018	31.12.2017
<b>Income</b>		
Interest and similar income	2,637	3,539
Fee and commission income	4	19
Gains less losses on financial transactions and impairments on Group companies	1,363	
Other income	207	255
<b>Total</b>	<b>4,211</b>	<b>3,813</b>
<b>Expenses</b>		
Interest expense and similar charges	13	67
General administrative expenses	16,383	5,555
<b>Total</b>	<b>16,396</b>	<b>5,622</b>

c. The Employees Supplementary Fund maintains deposits with the Bank amounting to € 7 (31.12.2017: € 7).

d. The Hellenic Financial Stability Fund (HFSF) exercises significant influence on the Bank. In particular, according to Law 3864/2010 and the Relationship Framework Agreement ("RFA") as of 23.11.2015, which replaced the previous of 2013, HFSF has representation in the Board of Directors and in other significant Committees of the Bank. Therefore, according to IAS 24, HFSF and its related entities are considered related parties for the Bank.

The outstanding balances and the results related to these transactions are analyzed as follows:

	FROM 1 JANUARY TO	
	31.12.2018	31.12.2017
<b>Income</b>		
Fee and commission income	10	10



#### 47. Auditors' fees

The total fees of "Deloitte Certified Public Accountants S.A.", statutory auditor of the Bank, are analyzed below, as stated in paragraphs 2 and 32, article 29 of Law 4308/2014.

	FROM 1 JANUARY TO	
	31.12.2018	31.12.2017
Fees for statutory audit*	1,686	1,556
Fees for other audit services	308	
Fees for the issuance of tax certificate	356	258
Fees for other non-audit services	219	155
<b>Total</b>	<b>2,569</b>	<b>1,969</b>

#### 48. Disclosures of Law 4151/2013

According to Article 6 of Law 4151/2013, the capitals from dormant deposit accounts will be used by the Greek State to cover government needs, after the write off of rights of depositors or their legal heirs.

According to Law 4261/2014, dormant deposit account to credit Institution is an account on which no transaction by depositors has been recorded for a period of 20 years from the day following the last transaction. The crediting or capitalizing of interest to an account will not constitute a transaction and not interrupt the prescription.

Following the expiry of the 20-year period, the credit institutions in Greece are obliged to: a) transfer to the State the aggregate balance of dormant deposit accounts, including any interest, by the end of April of each year by depositing the relevant amount in a special account in the Bank of Greece b) notify the General Accounting Office (GAO) and the General Directorate of Public Property to fulfill the obligations arising from the Law 4151/2013 and c) to provide information to beneficiaries and heirs after the lapse of 20 years for the transfer of the respective amounts, if asked. The abovementioned amounts will be recorded as income in the Annual State Budget.

The auditors in the notes to the published annual financial statements of credit institutions will confirm whether or not they complied with the provisions of the law on dormant deposits indicating the amount that was transferred to the State.

The Bank based on the suspension of the deadline of Articles 7 and 8 of the Law 4151/2013 about dormant deposit accounts, from the date of enforcement, ratified by the Law 4350/2015 from 18/7/2015 PNP (B' 84/18.07.2015 combined with A' 90/31.07.2015), from 20.07.2017 until 13.11.2017, based on GDOP 0001695 EX 2017/XP1917/13.11.2017 YA (PNP B' 3976/14.11.2017), as well as the provisions of article 257 of the Civil Code, about the calculation of the write off time after suspension, the Bank has not transferred the balances of the dormant deposit accounts for the fiscal year 2017, due to the non- completion of the 20-years period.

For the fiscal year 2018 the Bank will proceed, at the end of April 2019, to the return of the balances of the dormant deposit accounts to the State, of total amount € 3,159,521.02, for which the 20-year period has been completed during the aforementioned fiscal year.

\* Fees for statutory audit of the annual accounts, include other expenses as a percentage of 2% of the approved fees.

**49. Assets held for sale and discontinued operations**

	31.12.2018	31.12.2017
APE Fixed Assets A.E.*, APE Commercial Property A.E., APE Investment Property A.E.	46,217	98,280
Alpha Investment Property Attikis II A.E.		21,996
Investment property of Alpha Investment Property Neas Erythreas A.E.	6,204	
Assets of Alpha Bank S.A.	29,598	
Investment Property of Alpha Leasing A.E.	22,616	
Serdika 2009 E.O.O.D., Sheinovo Offices E.O.O.D., Sheinovo apartments E.O.O.D., Sheinovo Residence E.O.O.D.	15,838	
Alpha Investment Property I A.E.	79,539	
Alpha Investment Property Chanion A.E.	8,502	
Loans and receivables Alpha Bank A.E.	55,925	108,501
Loans and receivables Alpha Bank Romania		55,158
Other	7,598	5,042
<b>Total</b>	<b>272,037</b>	<b>288,977</b>

The Group began the process for the sale of subsidiary APE Fixed Assets S.A., of joint venture APE Investment Property S.A., of investment properties of subsidiary Alpha Investment Property Neas Erythreas S.A., as well as retail and wholesale loan portfolio the balances of which are presented in the table above and detailed described below.

In addition, during 2018, part of the sale of retail and wholesale loan portfolio in Greece was completed, whereas during 2017 the sale of the Bank's subsidiary Alpha Bank Srbija A.D and the sale of EL.PET. Valkaniki A.E, investment of APE Commercial Property A.E, were completed. The aforementioned sales are described below. In the same context, the Bank completed the process for the sale of retail and wholesale loan portfolio in Romania.

Finally, during 2018, investment property of both Alpha Leasing S.A. and the Bank, as well as the entities Serdika 2009 E.O.O.D., Sheinovo Offices E.O.O.D., Sheinovo apartments E.O.O.D. and Sheinovo Residence E.O.O.D., which are subsidiaries of Stockfort Ltd Group, were classified as assets held for sale, as well the subsidiaries Alpha Investment Property I A.E. and Alpha Investment Property of Chanion A.E.

**Alpha Bank Srbija A.D.**

In the fourth quarter of 2016, the Bank initiated the procedures in order to sell its subsidiary Alpha Bank Srbija A.D. In this context, on 30.1.2017, the Bank agreed with a potential buyer, to sell all the shares owned. The relative contract signed on 23.2.2017, whilst on 11.4.2017 the transaction was completed for a total price of € 53 million following the necessary regulatory approvals. In addition to the transfer of all shares of the subsidiary, the agreement includes the assignment of a subordinated debt contract, which amounts to € 27.11 million and was granted to the subsidiary by the Bank.

Based on the above, on 31.12.2016 the total assets of Alpha Bank Srbija A.D. and the related liabilities met the criteria set under IFRS 5 to be classified as assets held for sale, while its business activities, which constitute a distinct geographical area of operation for the Group and are included in South East Europe segment for operating segment disclosure purposes have been characterized as "discontinued operations".

\* The figures of APE Fixed Assets A.E. are included only in the comparative period.



## Income Statement and Statement of Comprehensive Income

The results and cash flows resulted from Alpha Bank Srbija A.D. are presented as "discontinued operations" in the Income Statement, in the Statement of Comprehensive Income and in the Cash Flow Statement.

In the table below, the figures presented in the Statement of Comprehensive Income are analyzed.

	FROM JANUARY 1 TO	
	31.12.2018	31.12.2017
Interest and similar income		6,943
Interest expense and similar charges		(1,374)
Net interest income		5,569
Fee and commission income		1,860
Commission expense		(476)
Net fee and commission income		1,384
Gains less losses on financial transactions and impairments on Group companies		991
Other income		156
<b>Total income</b>		<b>8,100</b>
Staff costs		(3,069)
General administrative expenses		(3,749)
Other expenses		(19)
<b>Total expenses</b>		<b>(6,837)</b>
Impairment losses and provisions to cover credit risk		1,111
<b>Profit / (Loss) before income tax</b>		<b>2,374</b>
Income tax		-
<b>Profit / (Loss) after income tax</b>		<b>2,374</b>
Difference due to fair value measurement		
Loss from sale after income tax		(70,831)
<b>Profit / (Loss) after income tax, from discontinued operations</b>		<b>(68,457)</b>
Net change of securities available for sale reserve		(1,559)
Foreign exchange differences due to conversion of financial statements and hedging of foreign subsidiaries		70,016
Income tax		
<b>Amounts that may be reclassified to the Income Statement, from discontinued operations</b>		<b>68,457</b>
<b>Total comprehensive income for the year, after income tax</b>		<b>-</b>

The amount of cash and cash equivalents of Alpha Bank Srbija A.D. which was transferred at disposal amounted to € 89,265.

### Alpha Investment Property Attikis II A.E.

During 2017, the Bank and its subsidiary Alpha Group Investments Ltd signed with an interested investor memorandum of understanding, for the disposal of Alpha Investment Property Attikis II and proceeded to negotiate the details of the terms of sale. The main terms of transferring of 100% of the share capital of Alpha Investment Property Attikis II were agreed with the investor in the fourth quarter of 2017 and it was estimated that the disposal will be completed within the next financial year.

Based on the above, Alpha Investment Property Attikis II is classified as Held for sale as at 31.12.2017 while for operating segment disclosure purposes is included in "Other / Elimination Centre". The Group valued the assets and liabilities of the subsidiary at the lowest amount between the carrying amount and the fair value less cost to sell, recognizing the difference which amounted of € 391 million as a loss in the "Gains less losses on financial transactions and impairments on Group companies".

During 2018, the abovementioned transaction was cancelled, with the assets and liabilities of the company being reclassified to the relevant balance sheet captions. The recoverable amount of the company at its reclassification, remained the same as that used for its valuation as at 31.12.2017.



### APE Fixed Assets A.E., APE Commercial Property A.E. and APE Investment Property A.E.

During the financial year 2016 consultants were engaged and the liquidation process of the Bank's participations in APE Fixed Assets A.E., APE Commercial Property A.E. and APE Investment Property A.E. began. APE Fixed Assets A.E. is a Bank's subsidiary, while APE Commercial Property A.E. and APE Investment Property A.E. are joint ventures, where the control is exercised jointly by the Bank and the other shareholder.

The companies were classified as held for sale according to IFRS 5. As regards to APE Investment Property AE, the Group is negotiating with potential investors who expressed their interest for the purchase of these participations. Despite the fact that these participations have specific features it is estimated that the transaction process will be completed in the near future.

Moreover, as of 31.12.2018, the Bank's participation in APE Fixed Assets S.A., according to IFRS 5, did not meet the criteria to be classified as "Assets held for sale" and as a result the assets and liabilities of the company were reclassified to the relevant balance sheet captions. The company's recoverable amount at its reclassification, was not changed compared to that used for its valuation as of 31.12.2017.

In addition, during 2018, the Bank participated to the share capital increase of APE Investment Property A.E. with an amount of € 71,704, whereas the company repaid the loan which has been granted by the Bank.

As far as APE Commercial Property is concerned, it should be noted that the process of the disposal of its participation in EL.P.ET. Balkaniki A.E. during the fourth quarter of 2017, was completed and share capital refund took place during September 2018 amounting to € 15,906, which an amount of € 11,484 relates to share capital refund to the Bank.

According to IFRS 5 the assets held for sale or disposal groups are valued at the lower of book and fair value less cost to sell and they are presented in the balance sheet separately from other assets and liabilities. As regards to the joint ventures APE Commercial Property AE and APE Investment Property AE., valued with the equity method, the Group measured the fair value of its participation and of the loans and receivables of these companies which constitute part of the net investment in them. From the aforementioned measurement during the financial year 2017 gains amounting to € 330 million arose and were recorded in the caption "Gains less losses on financial transactions and impairments on Group companies" in the Income Statement, while for 2018 a loss amounting to € 7,300 was arose.

Taking into account that these companies are not a separate major line of business of the Group, the criteria to be classified as "discontinued operations" are not met. The companies are included in "Other/ Elimination Centre" for operating segment disclosure purposes while for 2017 loans are included in the 'Corporate Banking' operating segment.

In the table below is presented an analysis of the discrete assets and liabilities of APE Fixed Assets AE, APE Commercial Property AE and APE Investment Property AE which are classified in the Balance Sheet as assets held for sale.

### Balance Sheet

	31.12.2018	31.12.2017
<b>ASSETS</b>		
Loans and advances to customers		47,570
Investments in associates and joint ventures	58,960	29,845
Investment property		39,872
	<b>58,960</b>	<b>117,287</b>
Valuation at fair value of APE	(12,744)	(19,007)
<b>Assets held for sale of APE</b>	<b>46,216</b>	<b>98,280</b>
<b>LIABILITIES</b>		
Deferred tax liabilities		286
Other Liabilities		6
<b>Total liabilities related to assets held for sale</b>		<b>292</b>
Amounts recognized directly in Equity related to assets held for sale		(122)
<b>Non-controlling interests related to assets held for sale</b>		<b>10,947</b>



### Alpha Investment Property I A.E.

During the year 2018, the Bank initiated the process of obtaining binding offers for its participation in Alpha Investment Property I S.A. and on 8.3.2019 the agreement with the preferred investor was signed, while the transaction is expected to be completed in the first semester of 2019. According to IFRS 5, Alpha Investment Property Attikis I A.E. is classified as Held for sale as at 31.12.2018. The Group valued the assets and liabilities of the subsidiary at the lowest amount between the carrying amount and the fair value less cost to sell. From the aforementioned valuation no result occurred.

Taking into account that the company is not a separate major line of business of the Group, the criteria to be classified as “discontinued operations” are not met. The company is included in “Other /Elimination Center” for operating segment disclosure purposes.

### Balance Sheet

	31.12.2018
<b>Assets</b>	
Loans and advances to customers, at amortised cost	50
Investment property	68,114
Property, plant and equipment	1,979
Deferred tax assets	9,015
Other assets	381
<b>Total assets held for sale</b>	<b>79,539</b>
<b>LIABILITIES</b>	
Liabilities for current income tax and other taxes	159
Other liabilities	1,302
Provisions	131
<b>Total liabilities related to Assets held for sale</b>	<b>1,592</b>

### Alpha Investment Property Chanion A.E.

During the year 2018, the Group initiated the process of obtaining binding offers for the sale of the shares of Alpha Investment Property of Chanion A.E. According to IFRS 5, the company was classified as asset held for sale as at 31.12.2018. The Group valued the assets and liabilities of the subsidiary at the lowest amount between the carrying amount and the fair value less cost to sell, without any need to recognize impairment.

Taking into account that the company is not a separate major line of business of the Group, the criteria to be classified as “discontinued operations” are not met. The company is included in “Other/Elimination Center” for operating segment disclosure purposes.

### Balance Sheet

	31.12.2018
<b>ASSETS</b>	
Investment property	8,500
<b>Total assets held for sale</b>	<b>8,500</b>
<b>LIABILITIES</b>	
Other liabilities	11
<b>Total liabilities related to assets held for sale</b>	<b>11</b>

### Investment property of Alpha Investment Property Neas Erythreas A.E.

During 2018, the subsidiary of the Bank, Alpha Investment Property Neas Erythreas A.E., signed with an interested investor memorandum of understanding, for the disposal of part of its assets.

Based on the above, the investment property of Alpha Investment Property Neas Erythreas A.E. is classified as Held for sale as at 31.12.2018. The investment was valued at the lowest amount between the carrying amount and the fair value less





cost to sell. From the aforementioned valuation no result occurred. The said investment property is included in "Other / Elimination Center" for operating segment disclosure purposes.

### Loans portfolio

The Group initiated in 2017 and 2018 the process for the disposal of four loan portfolios, as described below:

#### **Loan Portfolio A: Non-performing retail and wholesale loans in Romania**

During 2017, the Bank in cooperation with Alpha Bank Romania S.A. initiated the process of the sale of Non-performing retail loans, which included receivables from consumer loans, credit cards and small-business loans, along with non-performing wholesale loans. Most of the aforementioned non-performing retail loan portfolio of Alpha Bank Romania S.A. was sold in the third quarter of 2017.

The loans with carrying amount of €88,169, still outstanding as of 31.12.2017, met the criteria to be classified as Held for sale according to IFRS 5 and were included in the operating segments of "Corporate banking" (€10,890) and "S.E. Europe" (€77,279) of note 42 "Segment".

On 14.5.2018 the transfer of Non Performing Wholesale Loans portfolio was completed. The transaction price after taking into consideration the transaction costs and other liabilities, amounted to €41,608, while a loss of amount €1,846 was recognized in the caption "Gains less losses on derecognition of financial assets measured at amortised cost".

#### **Loan Portfolio B: Non Performing and uncollateralised retail loans portfolio in Greece**

During 2017, the Bank proceeded to the sale of Non-performing and uncollateralised retail loans which included receivables from consumer loans, credit cards and small-business loans.

As of 31.12.2017 the abovementioned loans with a carrying amount of €64,600 met the criteria to be classified as Held for sale according to IFRS 5 and were included in the operating segment of "Retail banking" of note 42 "Segment".

On 23.3.2018, the transfer of part of Non Performing and uncollateralised Retail Loans portfolio was completed whereas the remaining portfolio was transferred on 14.9.2018. The transaction price as incurred taking into consideration the transaction costs and other liabilities, amounted to €76,078, while gains of amount €13,828 were recognized in the caption «Gains less losses from discontinued recognition of financial instruments measured at amortised cost».

#### **Loan Portfolio C: Non Performing wholesale loans portfolio Greece**

During 2018, the Bank commenced the process of the sale of Non Performing Wholesale Loans.

On 27.12.2018, the transfer of part of Non Performing Wholesale Loans portfolio was completed. The transaction price as incurred for the disposed portfolio taking into consideration the transaction costs and other liabilities, amounted to €258,833, while loss of amount €17,659 was recognized in the caption «Gains less losses from discontinued recognition of financial instruments measured at amortised cost».

The carrying amount of the remaining portfolio for which the completion of disposal depends on certain conditions, as at 31.12.2018 amounted to €55,925. From the aforementioned portfolio an amount of €31,152 is included in the operating segment "Corporate banking" and an amount of €24,773 is included in "Investment Banking/Treasury" operating segment of note 42 "Operating segments".

Since, the requirements of IFRS 5 are met for the above mentioned portfolio, the Group classified as at 31.12.2018 these loans in "Assets held for sale".

#### **Loan Portfolio D: Non Performing and uncollateralised retail loans portfolio in Greece**

During 2018, the Bank in cooperation with Alpha Bank Romania S.A. proceeded to the sale of Non-performing retail loans which included receivables from consumer loans, credit cards and small-business loans. On 21.12.2018, the transfer of non Performing and uncollateralised retail loans portfolio in Greece was completed. The transaction price as incurred taking into consideration the transaction costs and other liabilities, amounted to €62,612, while gain of amount €7,846 was recognized in the caption «Gains less losses from discontinued recognition of financial instruments at amortised cost».



## Property of Alpha Bank S.A. and Alpha Leasing S.A.

In combination with the transaction concerning the abovementioned Loan Portfolio C, the Bank and Alpha Leasing S.A. initiated the process of disposing both investment property, own used property and property owned by auctions. On 31.12.2018 this property met the criteria of "Assets held for sale" according to IFRS 5. The Group valued the said investment property at the lowest amount between the carrying amount and the fair value less cost to sell, recognizing a loss amounting to € 5,708 included in other expenses (note 10), with the carrying amount standing at € 52,214 as of 31.12.2018, and included in "Other/Elimination Center" operating segment. of note 42 "Segment".

## Serdika 2009 E.O.O.D., Sheinovo Offices E.O.O.D., Sheinovo Apartments E.O.O.D., Sheinovo Residence E.O.O.D.

During 2018, the Bank and its subsidiary Stockfort Ltd signed with a prospective investor a pre-agreement (Pre-SPA) for the disposal of the subsidiaries Serdika 2009 E.O.O.D., Sheinovo Offices E.O.O.D., Sheinovo Apartments E.O.O.D. and Sheinovo Residence E.O.O.D. The main terms of transferring the 100% of the share capital of the entities were agreed with the investor during the third quarter of 2018 and on 19.3.2019 the contract for the disposal of the total number of shares of the above mentioned entities was signed. Based on the above, Serdika 2009 E.O.O.D., Sheinovo Offices E.O.O.D., Sheinovo Apartments E.O.O.D. and Sheinovo Residence E.O.O.D. are classified as held for sale as at 31.12.2018. The Group measured the assets and liabilities of the subsidiaries at the lowest amount between the carrying amount and the fair value, less cost to sell. The companies are included in "Other /Elimination Center" for operating segment disclosure purposes.

## Other assets held for sale

Assets held for sale include also other fixed assets held for sale of the Group of an amount of € 7,598 (31.12.2017: € 5,042). During 2018 an amount of impairment loss equal to € 85 was recognised in "Other expenses".

In addition, the Bank has classified its participation in Selonda Aquaculture A.E.G.E. and Nireus Aquaculture A.E., "Forthnet A.E." and "Unisoft A.E.", as Assets held for sale since its intention is to dispose them in the near future. The estimated fair value of the companies is one Euro.

The Group assesses at each reporting date of the financial statements, the actions undertaken within the context of the restructuring plan's implementation in order, where criteria of IFRS 5 are met (listed in note 1.18) the assets and liabilities that are directly associated with them, to be classified as held for sale, while for operating segment disclosure purposes are included in "Other/Elimination Center".

## 50. Restructuring Plan

The Bank completed the implementation of the Restructuring Plan, the revised version of which was approved by the Directorate - General for Competition on 26 November 2015. The final date for the completion of the Restructuring Plan was 31 December 2018.

The main commitments of the Restructuring Plan were:

- Reduction of the number of branches in Greece up to a maximum of 563 up to 31.12.2017.
- Limitation of the number of employees in Greece, in banking and non-banking activities, up to a maximum of 9,504, up to 31.12.2017.
- Reduction of the total costs of the Bank in Greece (Greek banking and non-banking activities) up to a maximum amount of € 933 million, up to 31.12.2017, with the exemption of separation scheme costs and costs related to the Bank's contribution in favor of deposit guarantee funds or resolution funds.
- Apply a maximum limit of annual remuneration packages that the Bank pays to any employee or manager, up to 31.12.2017.
- Reduction of the cost of funding through the decrease of cost of deposits collected in Greece, taking into account the macroeconomic factors at each time.



- To further strengthen of Bank's balance sheet through compliance to net loans to deposits ratio, up to a maximum of 119% on 31 December 2018, as regards to Greek banking activities.
- Reduction of the total size of the portfolio of foreign assets by 30 June 2018.
- Restriction on providing additional capital to foreign subsidiaries.
- Divestment of listed and unlisted companies' securities portfolio (except for specific cases).
- Reduction of the Bank's venture portfolio to € 40 million, up to 31.12.2017.
- Restriction on the purchase of non-investment grade securities.
- Adoption of guidelines regarding Group's credit policy, and the corporate governance framework, as well as, other commitments, which include restrictions on Bank's ability to proceed to specific acquisitions.

Alpha Bank has taken significant actions for the restructuring of its operations in order to fully restore its viability, in accordance with the European Commission's state aid rules. As a result of the relevant actions, the Bank has achieved fully compliance with the above commitments, which cease to be in force from 1 January 2019.

The macroeconomic estimates and assumptions on which the provisions of the revised Restructuring Plan were based, are listed below:

	2014	2015	2016	2017	2018
Nominal GDP (%)	(1.8)	(3.2)	(0.7)	3.4	4.1
Real GDP (%)	0.8	(2.3)	(1.3)	2.7	3.1
Unemployment rate (%)	26.5	26.9	27.1	25.7	24.2
Inflation rate (%)	(1.4)	(0.4)	1.5	0.9	1.0

The Bank's progress towards the full compliance with the commitments included in the Restructuring Plan is monitored and reported to the European Commission on a quarterly basis by Mazars LLP, who has been designated as the Monitoring Trustee of the Restructuring Plan.

## 51. Corporate events

- a.** On 30.1.2018, the Group's subsidiaries, Alpha Investment Property Spaton, Alpha Investment Property Livadeias, Alpha Investment Property Kallirois A.E., Alpha Investment Property Neas Kifissias A.E. and Alpha Investment Property Neas Erythraias A.E. increased their share capital by € 14,741, € 4,351, € 1,099, € 4,467 and € 8,656, respectively.
- b.** On 9.2.2018 the Group's subsidiaries, AGI-Cypré Alaminos Ltd, AGI-Cypré Tochni Ltd and AGI-Cypré Mazotos Ltd increased their share capital by € 9,201, € 1,715 and € 8,004, respectively.
- c.** On 14.3.2018, the Group's subsidiaries, AGI-RRE Poseidon Ltd, AGI-RRE Artemis Ltd, AGI-RRE Hera Ltd, AGI-RRE Arsinoe Ltd, AGI-RRE Cleopatra Ltd, AGI-RRE Participations 1 Ltd, AGI-RRE Ares Ltd, AGI-RRE Hermes Ltd, AGI-Cypré Evagoras Ltd and Stockfort Ltd, increased their share capital by € 51,508, € 35,461, € 5,137, € 35,054, € 13,069, € 55,468, € 3,427, € 52, € 130 and € 23,950 respectively.
- d.** On 15.3.2018 the Group's subsidiaries, AGI-BRE Participations 5 Ltd, AGI-BRE Participations 1 Ltd, AGI-SRE Participations 1 Ltd, Alpha Trustees Ltd, AGI-RRE Athena Ltd, AGI-RRE Venus Ltd, AGI-SRE Ariadni Ltd, AGI-Cypré Tersefanou Ltd and Zerelda Ltd increased their share capital by € 424, € 88, € 22, € 10, € 33, € 26, € 153, € 38 and € 35.859, respectively.
- e.** On 16.3.2018, the Group's subsidiaries, AGI-RRE Zeus Srl, AGI-RRE Poseidon Srl, Carmel Residential Srl, Ashtrom Residents Srl, AGI-RRE Hera Srl, Cubic Center Development S.A., AGI-RRE Cleopatra Srl, AGI-RRE Participations 1 Srl and Cordia Residence Srl increased their share capital by € 35,823, € 16,534, € 15,319, € 18,301, € 5,109, € 35,003, € 13,035, € 9,667 and € 3,399 respectively.
- f.** On 19.3.2018 the Group's subsidiaries, AGI-BRE Participations 2 Ltd, AGI-BRE Participations 3 Ltd, AGI-BRE Participations 4 Ltd, AGI-BRE Participations 2 E.O.O.D., AGI-BRE Participations 3 E.O.O.D. and HT-1 E.O.O.D. increased their share capital by € 9,414, € 19,997, € 21,323, € 9,366, € 19,931 and € 583, respectively.



- g.** On 20.3.2018 the Group's subsidiaries AGI-BRE Participations 4 E.O.O.D. and Asmita Gardens Srl increased their share capital by € 16,998 and € 29,009 respectively.
- h.** On 27.3.2018, the Group subsidiary AGI-RRE Poseidon Ltd participated proportionally in the share capital increase of its subsidiary Romfelt Real Estate S.A. by an amount of € 34,572, and on 18.5.2018 the subsidiary paid the residual amount of € 402 to cover its full participation. Consequently, the participation of AGI-RRE Poseidon Ltd stood at 99.99% of Romfelt Real Estate S.A. share capital.
- i.** On 29.03.2018, the capital repayment of amount € 56 of joint venture Alpha TANE0 A.K.E.S was completed.
- j.** On 5.4.2018, the Group's subsidiary AGI-RRE Hermes Srl increased its share capital by € 11.
- k.** On 24.4.2018, the Group's subsidiary AGI-Cypré Tersefanou Ltd acquired 100% and 99.95% of shares of entities KITMA Holding Ltd and Vic City Srl respectively.
- l.** On 7.5.2018, the Group's subsidiary Alpha Group Investments Ltd founded the company Alpha Investment Property Irakleiou S.A. for the amount of € 24.
- m.** On 14.5.2018, the Bank together with Alpha Bank Romania S.A. completed the sale of a portfolio of non-performing corporate loans to A1 Carpi Finance S.A., APS Consumer Finance IFN S.A. and APS Delta S.A. that are entities financed by a joint venture of international investors, in which Deutsche Bank AG, investment funds under the management of AnaCap Financial Partners LLP and investment funds under the management of APS Investments S.à.r.l. are included.
- n.** On 16.5.2018, the liquidation proceedings of the Group's subsidiary Preserville Enterprises Ltd, was completed.
- o.** On 17.5.2018, the capital repayment of amount € 3,069 of the Group's subsidiary Chardash Trading E.O.O.D. was completed.
- p.** On 31.5.2018, the Bank participated proportionally in the share capital increase of the joint venture APE Investment Property A.E., paying an amount of € 71,704.
- q.** On 13.6.2018, the capital repayment of amount € 230 of the Group's subsidiary Alpha Real Estate Bulgaria E.O.O.D. was completed.
- r.** On 14.6.2018, the Bank's subsidiary Alpha Group Investments Ltd set up the entity Alpha Investment Property Gi I A.E. for an amount of € 24.
- s.** On 22.6.2018, the Bank's subsidiary Alpha Bank Cyprus Ltd set up the entities AGI-Cypré Property 1 Ltd, AGI-Cypré Property 2 Ltd, AGI-Cypré Property 3 Ltd and AGI-Cypré Property 4 Ltd for a price of € 1 each one, and on 29.6.2018 transferred the aforementioned entities in the subsidiary AGI-Cypré Ermis Ltd
- t.** On 25.6.2018, the Group's subsidiaries, AGI-BRE Participations 1 Ltd, Zerelda Ltd, AGI-RRE Athena Ltd, AGI-RRE Hera Ltd, AGI-BRE Participations 4 Ltd, AGI-RRE Ares Ltd, AGI-RRE Venus Ltd, AGI-RRE Cleopatra Ltd, AGI-RRE Hermes Ltd, AGI-Cypré Tersefanou Ltd, AGI-Cypré Mazotos Ltd and AGI-SRE Participations 1 Ltd increased their share capital by € 17, € 7, € 10, € 10, € 10, € 10, € 9, € 6, € 8, € 7, € 16 and € 10, respectively.
- u.** On 25.6.2018, the total shares of the Group's subsidiary AGI BRE Participations 5 E.O.O.D. and its subsidiaries House Properties Investments E.O.O.D. and Residence Properties Investments E.O.O.D., were sold.
- v.** On 27.6.2018, the Bank's subsidiary Alpha Bank Cyprus Ltd set up the entities AGI-Cypré Property 5 Ltd, AGI-Cypré Property 6 Ltd and AGI-Cypré Property 8 Ltd for an amount of € 1 each one, and on 29.6.2018, transferred the aforementioned entities in the subsidiary AGI-Cypré Ermis Ltd. On the same date, AGI-Cypré Ermis Ltd increased its share capital by a contribution in kind to AGI-Cypré Property 8 Ltd for an amount of € 276.
- w.** On 3.7.2018, the Bank's subsidiary Alpha Bank Cyprus Ltd set up the entity ABC RE L1 Limited for an amount of € 1
- x.** On 5.7.2018 the Bank's subsidiary Alpha Bank Cyprus Ltd set up the entity AGI-Cypré Property 7 Ltd for an amount of € 1, and on 31.7.2018 transferred this entity to AGI-Cypré Ermis Ltd, which increased its share capital by contribution in kind for an amount of € 284.
- y.** On 5.7.2018, the Bank's subsidiary AGI-Cypré Ermis Ltd transferred its subsidiaries AGI-Cypré Property 1 Ltd, AGI-Cypré Property 2 Ltd, AGI-Cypré Property 3 Ltd, AGI-Cypré Property 4 Ltd, AGI-Cypré Property 5 Ltd and AGI-Cypré Property 6 Ltd in the Bank's subsidiary Alpha Bank Cyprus Ltd. On 7.8.2018, the Bank's subsidiary Alpha Bank Cyprus Ltd transferred its



subsidiaries AGI-Cypré Property 1 Ltd, AGI-Cypré Property 2 Ltd, AGI-Cypré Property 3 Ltd, AGI-Cypré Property 4 Ltd, AGI-Cypré Property 5 Ltd and AGI-Cypré Property 6 Ltd, back to the Bank's subsidiary AGI-Cypré Ermis Ltd. On the same date, AGI-Cypré Ermis Ltd increased the share capital of the aforementioned subsidiaries by contribution in kind for an amount of € 1,352, € 2,380, € 447, € 900, € 110 and € 750, respectively.

**z.** On 18.7.2018, the Bank participated in the share capital increase of its subsidiary Alpha Bank Cyprus Ltd for an amount of € 44,585.

**aa.** On 20.7.2018, the Bank participated proportionally in the share capital increase of the joint venture APE Commercial Property A.E. for an amount of € 39,010 with the capitalization of the «Share premium» reserve.

**ab.** On 25.7.2018, the Bank participated proportionally in the share capital increase of its subsidiary APE Fixed Assets A.E., for an amount of € 217.

**ac.** On 2.8.2018, the Bank participated proportionally in the share capital increase of the joint venture Alpha TANEO A.K.E.S., for an amount of € 80.

**ad.** On 21.8.2018, the Bank's subsidiary Alpha Bank Cyprus Ltd set up the entity AGI-Cypré Property 9 Ltd for an amount of € 1.

**ae.** On 24.8.2018, the Bank's subsidiary AGI-Cypré Ermis Ltd set up the entities AGI-Cypré Property 10 Ltd and AGI-Cypré Property 11 Ltd for a price of € 1 each one.

**af.** On 27.8.2018, the Bank's subsidiary AGI-Cypré Ermis Ltd set up the entities AGI-Cypré Property 12 Ltd, AGI-Cypré Property 13 Ltd, AGI-Cypré Property 15 Ltd, AGI-Cypré Property 17 Ltd, AGI-Cypré Property 18 Ltd, AGI-Cypré Property 19 Ltd and AGI-Cypré Property 20 Ltd for a price of € 1 each one.

**ag.** On 28.8.2018, the Bank's subsidiary AGI-Cypré Ermis Ltd set up the entity AGI-Cypré Property 16 Ltd for an amount of € 1.

**ah.** On 29.8.2018, the Bank's subsidiary AGI-Cypré Ermis Ltd set up the entity AGI-Cypré Property 14 Ltd for an amount of € 1.

**ai.** On 30.8.2018, the Bank's subsidiary AGI-Cypré Ermis Ltd set up the entity AGI-Cypré RES Pafos Ltd for an amount of € 1 and on 22.10.2018 participated in the share capital increase through contribution in kind of the aforementioned company for an amount of € 724.

**aj.** On 30.8.2018 the Bank participated proportionally in the share capital increase of its subsidiary Emporiki Management S.A., for an amount of € 661.

**ak.** On 4.9.2018, the Bank's subsidiary AGI-Cypré Ermis Ltd set up the entity AGI-Cypré P&F Nicosia Ltd for an amount of € 1.

**al.** On 21.9.2018, the Bank's subsidiary Alpha Bank Cyprus Ltd set up the entities ABC RE P1 Ltd and ABC RE P2 Ltd for a price of € 1 each one.

**am.** On 25.9.2018, the Bank's subsidiary Alpha Bank Cyprus Ltd set up the entity ABC RE P3 Ltd for an amount of € 1.

**an.** On 25.9.2018 the capital repayment of amount € 11,484 of the Group's subsidiary APE Commercial Property A.E. was completed.

**ao.** On 28.9.2018, the Bank participated proportionally in the share capital increase of the joint venture Alpha TANEO A.K.E.S. paying an amount of € 71.

**ap.** On 11.10.2018 the entity «Ionian Holdings S.A.» was renamed to «Alpha Real Estate Management and Investment S.A.». The objective of the entity was also changed within the context of Group's centralized Real Estate management (excluding Property, Plant and Equipment).

**aq.** On 23.10.2018, the Bank's subsidiary, AGI-CYPRE Ermis Ltd participated in the share capital increase through contribution in kind of AGI-CYPRE Property 17 Ltd and AGI-CYPRE Property 19 Ltd for an amount of € 1,380 and € 1,177 respectively.

**ar.** On 25.10.2018, the Bank's subsidiary, AGI-CYPRE Ermis Ltd participated in the share capital increase through contribution in kind of AGI-CYPRE Property 16 Ltd for an amount of € 17,456.

**as.** On 25.10.2018, the Bank's subsidiary Alpha Bank Cyprus Ltd set up the entities ABC RE P4 Ltd and ABC RE L2 Ltd for a consideration of € 1 each one. On 29.11.2018 and on 18.12.2018 the company participated in the share capital increase through contribution in kind of the abovementioned entities for a consideration of € 1,019 and € 3,517 respectively.



- at.** On 26.10.2018, the Bank's subsidiary, AGI-CYPRE Ermis Ltd participated in the share capital increase through contribution in kind of AGI-CYPRE Property 14 Ltd, AGI-CYPRE Property 15 Ltd and AGI-CYPRE Property 20 Ltd for a consideration of € 630, € 799 and € 330 respectively.
- au.** On 29.10.2018, the Bank's subsidiary, AGI-CYPRE Ermis Ltd participated in the share capital increase through contribution in kind of AGI-CYPRE Property 13 Ltd and AGI-CYPRE Property 18 Ltd for a consideration of € 1,622 and € 1,380 respectively.
- av.** On 30.10.2018 the Bank's subsidiary, Alpha Group Investments Ltd, participated proportionally in the share capital increase of the associate Alpha Investment Property Elaiona A.E, paying an amount of € 1,000, while on 20.2.2019 participated in the remaining relevant share capital increase for a consideration of € 2,500.
- aw.** On 7.11.2018, the subsidiary of Alpha Bank Cyprus Ltd, ABC RE L1 Ltd, proceeded with the share capital increase through contribution in kind, in which Alpha Bank Cyprus Ltd participated through a consideration of € 711.
- ax.** On 14.11.2018, the Bank's subsidiary AGI-CYPRE Ermis Ltd set up the entities AGI-CYPRE RES Nicosia Ltd and AGI-CYPRE P&F Limassol Ltd for a consideration of € 1 each.
- ay.** On 19.11.2018, the Bank's subsidiary AGI-CYPRE Ermis Ltd set up the entity AGI-CYPRE Property 21 Ltd for a consideration of € 1.
- az.** On 23.11.2018, the Bank's subsidiary AGI-CYPRE Ermis Ltd set up the entity AGI-CYPRE Property 22 Ltd for a consideration of € 1.
- ba.** On 30.11.2018, the Bank's subsidiary Alpha Bank Cyprus Ltd transferred the subsidiary AGI-CYPRE Property 9 Ltd to the Bank's subsidiary AGI-CYPRE Ermis Ltd.
- bb.** On 4.12.2018, the Bank's subsidiary AGI-CYPRE Ermis Ltd set up the entity AGI-CYPRE Property 23 Ltd for a consideration of € 1.
- bc.** On 13.12.2018, the Bank's subsidiary Alpha Bank Cyprus Ltd set up the entity ABC RE P5 Ltd for a consideration of € 1 and on 29.1.2019 participated in the share capital increase through contribution in kind for a consideration of € 884.
- bd.** On 13.12.2018, AGI-CYPRE Ermis Ltd participated in the share capital increase through contribution in cash to its subsidiaries AGI – CYPRE Mazotos Ltd, AGI-CYPRE Property 1 Ltd, AGI-CYPRE Property 2 Ltd, AGI-CYPRE Property 3 Ltd, AGI-CYPRE Property 4 Ltd, AGI-CYPRE Property 5 Ltd, AGI-CYPRE Property 6 Ltd, AGI-CYPRE Property 7 Ltd, AGI-CYPRE Property 8 Ltd, AGI-CYPRE Property 9 Ltd, AGI-CYPRE Property 10 Ltd, AGI-CYPRE Property 11 Ltd, AGI-CYPRE Property 12 Ltd, AGI-CYPRE Property 13 Ltd, AGI-CYPRE Property 14 Ltd, AGI-CYPRE Property 15 Ltd, AGI-CYPRE Property 16 Ltd, AGI-CYPRE Property 17 Ltd, AGI-CYPRE Property 18 Ltd, AGI-CYPRE Property 19 Ltd, AGI-CYPRE Property 20 Ltd, AGI-CYPRE Property 21 Ltd, AGI-CYPRE Property 22 Ltd, AGI-CYPRE Property 23 Ltd, AGI-CYPRE RES Pafos Ltd and AGI-CYPRE P&F Nicosia Ltd for a consideration of € 27, € 47, € 29, € 31, € 29, € 22, € 33, € 26, € 29, € 680, € 12, € 38, € 20, € 132, € 23, € 184, € 62, € 127, € 60, € 214, € 75, € 12, € 12, € 12, € 27 and € 25 respectively.
- be.** On 14.12.2018, the Bank's subsidiary Alpha Bank Cyprus Ltd set up the entity ABC RE P&F Limassol Ltd for a consideration of € 1.
- bf.** On 14.12.2018, the Bank's subsidiary AGI-CYPRE Ermis Ltd set up the entity AGI-CYPRE Property 24 Ltd for a consideration of € 1.
- bg.** On 18.12.2018, AGI-CYPRE Ermis Ltd participated in the share capital increase through contribution in kind of AGI-CYPRE Property 11 Ltd, AGI-CYPRE Property 12 Ltd and AGI-CYPRE P&F Nicosia Ltd for a consideration of € 1,580, € 460 and € 260 respectively.
- bh.** On 19.12.2018, the Group's subsidiary AGI BRE Participations 4 Ltd proceeded to sale of the total shares of the subsidiary HT 1 E.O.O.D. for a consideration of € 2,100.
- bi.** On 19.12.2018, the Bank's subsidiary Alpha Real Estate Management and Investments A.E. proceeded with the acquisition of 1.7% of Alpha Astika Akinita A.E. shares from its associate, Alpha Investment Property I A.E. for a consideration of € 1,451. As a result Alpha Real Estate Management and Investments A.E. holds 3,4% of the share capital of Alpha Astika Akinita A.E.



- bj.** On 20.12.2018 the liquidation of Bank's subsidiary Emporiki Group Finance Plc was completed.
- bk.** On 20.12.2018, the Bank participated proportionally in the share capital increase of the joint venture Alpha TANEO A.K.E.S. for an amount of € 76.5.
- bl.** On 27.12.2018, the Bank's subsidiary Alpha Group Investments Ltd proceeded with the coverage of its proportional share in the set up of the joint venture Alpha Investment Property Commercial Stores A.E. for a consideration of € 4,550.
- bm.** On 27.12.2018 the sale of the total shares of the subsidiary company of Alpha Ventures S.A. to Emporiki Development and Real Estate Management S.A. was completed for a total consideration of € 36,307.
- bn.** On 27.12.2018 the sale of the total shares of the subsidiary company of Emporiki Venture Capital Developed Markets Ltd to Alpha Group Investments Ltd was completed for a total consideration of € 25,527.
- bo.** On 28.12.2018, the Bank participated in the share capital increase of the subsidiary company AGI-CYPRE Ermis Ltd for an amount of € 175,000.
- bp.** On 31.12.2018 the Bank's subsidiary Alpha Bank Cyprus Ltd set up the entity ABC RE L3 Ltd for a consideration of € 1 and on 31.1.2019 participated in the share capital increase through contribution in kind for a consideration of € 467.
- bq.** On 31.12.2018, the Bank participated in the share capital increase of the subsidiary company Alpha Group Jersey Ltd for an amount of € 240.
- br.** In June 2016 the United Kingdom (UK) voted to leave the European Union (EU). During early 2017, the formal process to leave the EU was triggered and the UK government has been negotiating with the EU since this date. Negotiations are ongoing and it is not expected that a final agreement will be completed until closer to the departure date, originally expected to be March 2019, although there may be a transitional period implemented beyond this date. The Bank has limited presence in the UK. The Group is closely monitoring the developments regarding of the evolution of the departure of the UK from the EU.

## 52. Restatement of financial statements

The Group modified the Balance Sheet as at 31.12.2017, regarding the progress of the legal case of its subsidiary company Chardash Trading E.O.O.D. ("Chardash"), which operates in Bulgaria.

In particular, the Bulgarian Academy of Sciences had brought an action against the aforementioned subsidiary requesting the recognition of its ownership on the real estate and the acquisition of the occupation and possession of the land on which a multi-storey office building in Sofia had been established. After examining the case before the Sofia Court of Appeals, the action of the Bulgarian Academy of Sciences was accepted, while acknowledging Chardash's right to refuse the return of the property until the Bulgarian Academy of Sciences paid for the construction costs of the building. The decision of the Sofia Court of Appeals on 13.12.2017 recognized Chardash's right to refuse the return of the property until payment of the expenses incurred by the Bulgarian Academy of Sciences.

As a result of the above, the Group considered that it was no longer exposed to risks and rewards of property and instead acknowledged the relevant claim for the payment of the construction costs. In addition, the provision of the amount of € 8 million for this case was taken into account in determining the accounting value of the claim held by the Bulgarian Academy of Sciences.



The modified Balance Sheet as 31.12.2017 is listed below:

<b>31.12.2017</b>			
	<b>Published amounts</b>	<b>Restatements</b>	<b>Restated amounts</b>
<b>ASSETS</b>			
Cash and balances with Central Banks	1,593,850		1,593,850
Due from Banks	1,715,649		1,715,649
Securities held for trading	8,685		8,685
Derivative financial assets	622,536		622,536
Loans and advances to customers	43,318,193		43,318,193
Investment securities			
- Available for sale	5,873,768		5,873,768
- Held to maturity	10,870		10,870
Investments in associates and joint ventures	18,886		18,886
Investment property	577,112	(23,769)	553,343
Property, plant and equipment	735,250	(1,417)	733,833
Goodwill and other intangible assets	389,809		389,809
Deferred tax assets	4,330,602		4,330,602
Other assets	1,328,838	19,947	1,348,785
	<b>60,524,048</b>	<b>(5,239)</b>	<b>60,518,809</b>
Non-current assets held for sale	288,977		288,977
<b>Total Assets</b>	<b>60,813,025</b>	<b>(5,239)</b>	<b>60,807,786</b>
<b>LIABILITIES</b>			
Due to banks	13,141,531		13,141,531
Derivative financial liabilities	1,029,421		1,029,421
Due to customers (including debt securities in issue)	34,890,436		34,890,436
Debt securities in issue held by institutional investors and other borrowed funds	655,567		655,567
Liabilities for current income tax and other taxes	42,761		42,761
Deferred tax liabilities	24,997		24,997
Employee defined benefit obligations	92,038		92,038
Other liabilities	867,921	2,761	870,682
Provisions	441,240	(8,000)	433,240
	<b>51,185,912</b>	<b>(5,239)</b>	<b>51,180,673</b>
Liabilities related to assets held for sale	422		422
<b>Total Liabilities</b>	<b>51,186,334</b>	<b>(5,239)</b>	<b>51,181,095</b>
<b>EQUITY</b>			
Equity attributable to equity owners of the Bank			
Share capital	463,110		463,110
Share premium	10,801,029		10,801,029
Reserves	809,073		809,073
Amounts recognized directly in equity related to assets held for sale	(122)		(122)
Retained earnings	(2,490,040)		(2,490,040)
	<b>9,583,050</b>		<b>9,583,050</b>
Non-controlling interests	28,534		28,534
Hybrid securities	15,107		15,107
<b>Total Equity</b>	<b>9,626,691</b>		<b>9,626,691</b>
<b>Total Liabilities and Equity</b>	<b>60,813,025</b>	<b>(5,239)</b>	<b>60,807,786</b>





### 53. Events after the balance sheet date

**a.** On 9.1.2019 the bank's subsidiary, Alpha Bank Cyprus Ltd, established ABC RE COM Pafos Ltd for a consideration of € 1 and on 29.1.2019 participated in the share capital increase with contribution in kind of the said company for a consideration of € 339.

**b.** On 18.1.2019 the bank's subsidiary, Alpha Bank Cyprus Ltd established ABC RE RES Larnaca Ltd for a consideration of € 1.

**c.** On 18.1.2019 the bank's subsidiary, AGI-CYPRE Ermis Ltd established AGI-CYPRE Property 25 Ltd and the AGI-CYPRE Property 26 Ltd for a consideration of € 1 each.

**d.** On 5.2.2019, the bank's subsidiary, AGI-CYPRE Ermis Ltd established AGI-CYPRE P&F Pafos Ltd for a consideration of € 1

**e.** On 8.2.2019 the sale of the total shares of the Group's subsidiary KITMA Holdings and its subsidiary KITMA Holdings Vic City Srl was completed.

**f.** On 20.2.2019, the Bank's subsidiary Alpha Group Investments Ltd proceeded with the supplementary coverage of its share in its affiliate's Alpha Investment Property Elaionas S.A. Share capital, for a consideration of € 2,500, following the initial consideration of € 1,000 as of 30.10.2018.

**g.** On 26.2.2019 the bank's subsidiary AGI-CYPRE Ermis Ltd participated in the share capital increase with contribution in kind of AGI-CYPRE Property 24 Ltd and AGI-CYPRE RES NICOSIA Ltd for a consideration of € 653 and € 113 respectively.

**h.** The provisions of Law 3869/2010 regarding the protection of primary residence, as amended by Article 14 of Law 4346/2015, cease to be in force on 28.2.2019, as defined by Law 4592/2019 entitled "Ratification of the Act of Legislative Content of 31 December 2018" Extension of the application of exception of primary residence from liquidation under Law 3869/2010 (A' 130), extension of the application of reduced VAT rates to the islands of Leros, Lesvos, Kos, Samos and Chios and extension of the application of the "Transport Equivalent " measure of Law 4551/2018 " .

On 26.3.2018 an amendment to the draft Law of the Ministry of Economy and Development entitled "Alignment of Greek legislation with the European Parliament and Council Directive (EU) 2016/943 of 8.6.2016 on the protection of undisclosed know-how and business information (trade secrets) against their unlawful acquisition, use and disclosure (EEL 157, 15.6.2016). Measures for accelerating the work of the Ministry of Economy and other provisions" was submitted, setting out the new framework and rules that will apply from now on.

The proposed regulation introduces a scheme to subsidize the repayment of housing and business loans with mortgage in the main residence of individuals. This program pursues the following two purposes: a) to provide a new framework for the protection of primary residence for economically weak individuals and b) to introduce a restructuring mechanism for non-performing housing and corporate loans, which are secured by a mortgage on principal residence .

Persons who meet the specified conditions can apply for participation in the abovementioned program until 31st December 2019.

The Bank will assess the impact of the adoption of the new law on the provision for impairment losses that will be calculated for certain categories of debtors.

**i.** From 1.1.2019, the Law 4548/2018 "Reform of the Law of Societes Anonymes" (A' 104 / 13.06.2018) came into force , which in combination with the law for Corporate Transformations replaces the previously in force corporate law 2190/1920 for societe anonymes. The new law is applied to all societe anonymes (listed, special forms) unless otherwise provided . The new law incorporates into Greek Law the provisions of the SRD II Directive for the remunerations of the members of the Board of Directors (rule say on pay), as well as the transactions with related parties, while it takes into consideration the "collective accounts" through which securities are held. The modifications in the legal framework governing the formation and operation of societes anonymes resulting from the implementation of the new law mainly concern the following sections:

- Formation of societe anonyme (legal formation documents, composition of name, corporate documents)
- Share capital (valuation in contribution in kind, minimum share capital required for company's formation, certification of payment of initial share capital or share capital increase),



- Securities issued by societe anonymes: Shares (abolishment of anonymous shares, transfer of shares, minimum nominal value of shares, electronic retention of shares) Warrants, Bonds (extended definition of bond loans), responsibilities of the Board of Directors, Foundation shares
- Board of Directors (composition and operation, responsibilities, faulty decisions, remuneration policy, remuneration report)
- Related parties transactions
- General Assembly Meeting (types of General Assembly Meetings, terms of participation, decision – making rules)
- Minority rights (establishment of shareholders associations)
- Distribution of profits ( distribution of minimum or interim dividend and special reserve)

Considering the fact that the basic characteristics, the structure as well as the general operating principles of a societe anonyme have not altered despite the various changes occurred, the impact from the implementation of the new legal framework is not estimated to be material for the Bank.

The law in respect to “Corporate Transformations” will be effective from 15.4.2019. The fundamental initiative of the new law is that for the first time it is incorporated in Greek legislation, a unanimous framework for all “corporate transformations” applicable to companies of all legal forms. More specifically, the corporate transformations provided are the following: a) merger, b) demerger and c) transformation. The articles of the law provide for the conditions, the process to be followed along with the outcomes of the aforementioned “corporate transformations” while any other transformation apart from those already mentioned is allowed, provided that it is explicitly accepted based on legal framework’s articles. The companies’ legal forms which are allowed to apply or participate in the process of corporate transformation are the following: societe anonymes, limited liability companies, private capital companies, general partnership companies, limited partnership companies, limited partnerships by shares, joint ventures, provided by paragraph 3 of the article 293 of the Law 4072/2012, european companies (SE), provided by Regulation (EC) 2157/2001, cooperatives, european cooperative societies (SCE) provided by Regulation (EC) 1435/2003. The effect from the implementation of the new legal framework is not estimated to be material for the Bank.

Athens, 28 March 2019

THE CHAIRMAN  
OF THE BOARD OF DIRECTORS

THE CHIEF  
EXECUTIVE OFFICER

THE GENERAL MANAGER  
AND CHIEF FINANCIAL OFFICER

THE ACCOUNTING  
AND TAX MANAGER

VASILEIOS T. RAPANOS  
ID No AI 666242

VASSILIOS E. PSALTIS  
ID No AI 666591

LAZAROS A. PAPAGARYFALLOU  
ID No AK 093634

MARIANNA D. ANTONIOU  
ID No X 694507

# Bank Financial Statements as at 31.12.2018

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ALPHA BANK





## Income Statement

(Amounts in thousands of Euro)

	Note	FROM 1 JANUARY TO 31.12.2018	31.12.2017
Interest and similar income		2,003,984	2,225,606
Interest expense and similar charges		(482,282)	(531,351)
Net interest income	2	1,521,702	1,694,255
Fee and commission income	3	351,404	342,344
Commission expense		(65,011)	(64,245)
Net fee and commission income	3	286,393	278,099
Dividend income	4	62,413	35,638
Gains less losses on derecognition of financial assets measured at amortised cost	6	4,715	-
Gains less losses on financial transactions and impairments on Group companies	5	95,917	(85,772)
Other income	7	29,542	16,249
Total other income		192,587	(33,885)
<b>Total income</b>		<b>2,000,682</b>	<b>1,938,469</b>
Staff costs	8	(369,217)	(375,800)
Provision for separation scheme	8	-	(92,719)
General administrative expenses	9	(433,256)	(460,959)
Depreciation and amortization	22, 23, 24	(78,316)	(74,210)
Other expenses	10	(28,631)	(30,920)
<b>Total expenses before impairment losses and provisions to cover credit risk</b>		<b>(909,420)</b>	<b>(1,034,608)</b>
Impairment losses and provisions to cover credit risk	11, 12	(1,478,683)	(798,036)
<b>Profit/(loss) before income tax</b>		<b>(387,421)</b>	<b>105,825</b>
Income tax	13	450,825	(61,930)
<b>Profit/(loss) after income tax</b>		<b>63,404</b>	<b>43,895</b>
Earnings/(losses) per share:			
Basic and diluted (€ per share)	14	0.04	0.03

The attached notes (pages 304-499) form an integral part of the Bank's financial statements



## Balance Sheet

(Amounts in thousands of Euro)

	Note	31.12.2018	31.12.2017
<b>ASSETS</b>			
Cash and balances with central banks	15	719,959	774,882
Due from banks	16	2,625,186	2,227,791
Trading securities	17	6,815	6,544
Derivative financial assets	18	730,215	628,133
Loans and advances to customers	19	35,648,197	38,521,136
Investment securities			
- Measured at fair value through other comprehensive income	20	5,691,866	
- Measured at fair value through profit or loss	20	180,175	
- Available for sale	20		4,887,356
- Held to maturity	20		319
Investments in subsidiaries, associates and joint ventures	21	863,731	2,048,931
Investment property	22	24,558	26,379
Property, plant and equipment	23	628,894	628,956
Goodwill and other intangible assets	24	390,445	350,783
Deferred tax assets	25	5,339,676	4,282,208
Other assets	26	1,282,843	1,253,995
		<b>54,132,560</b>	<b>55,637,413</b>
Assets held for sale	45	1,043,900	217,285
<b>Total Assets</b>		<b>55,176,460</b>	<b>55,854,698</b>
<b>LIABILITIES</b>			
Due to banks	27	10,689,412	13,751,850
Derivative financial liabilities	18	1,149,513	1,037,174
Due to customers	28	33,492,218	30,255,030
Debt securities in issue and other borrowed funds	29	841,307	557,949
Liabilities for current income tax and other taxes	30	19,842	17,920
Employee defined benefit obligations	31	83,747	89,441
Other liabilities	32	830,738	824,340
Provisions	33	218,596	175,307
<b>Total Liabilities</b>		<b>47,325,373</b>	<b>46,709,011</b>
<b>EQUITY</b>			
Share capital	34	463,110	463,110
Share premium	35	10,801,029	10,801,029
Reserves	36	323,104	572,832
Retained earnings		(3,736,156)	(2,691,284)
<b>Total Equity</b>		<b>7,851,087</b>	<b>9,145,687</b>
<b>Total Liabilities and Equity</b>		<b>55,176,460</b>	<b>55,854,698</b>

The attached notes (pages 304-499) form an integral part of the Bank's financial statements



## Statement of Comprehensive Income

(Amounts in thousands of Euro)

	Note	FROM 1 JANUARY TO 31.12.2018	31.12.2017
<b>Profit/(loss), after income tax, recognized in the Income Statement</b>		<b>63,404</b>	<b>43,895</b>
<b>Other comprehensive income</b>			
<b>Amounts that may be reclassified to the Income Statement</b>			
Net change in available for sale securities reserve			459,969
Net change in securities reserves measured at fair value through other comprehensive income		(495,131)	
Net change in cash flow hedge reserve		(2,350)	53,361
Income tax	13	144,269	(148,685)
<b>Amounts that may be reclassified to the Income Statement</b>		<b>(353,212)</b>	<b>364,645</b>
<b>Amounts that will not be reclassified to the Income Statement</b>			
Net change in actuarial gains/(losses) of defined benefit obligations		1,123	133
Gains/(losses) from shares measured at fair value through other comprehensive income		(2,577)	
Income tax	13	422	(39)
<b>Amounts that will not be reclassified to the Income Statement</b>		<b>(1,032)</b>	<b>94</b>
<b>Total of other comprehensive income, after income tax</b>		<b>(354,244)</b>	<b>364,739</b>
<b>Total comprehensive income for the year, after income tax</b>		<b>(290,840)</b>	<b>408,634</b>

The attached notes (pages 304-499) form an integral part of the Bank's financial statements



## Statement of Changes in Equity

(Amounts in thousands of Euro)

	Note	Share capital	Share premium	Reserves	Retained earnings	Total
<b>Balance 1.1.2017</b>		<b>461,064</b>	<b>10,790,870</b>	<b>208,187</b>	<b>(2,735,079)</b>	<b>8,725,042</b>
<b>Changes for the year 1.1 - 31.12.2017</b>						
Profit for the year, after income tax					43,895	43,895
Other comprehensive income after income tax				364,645	94	364,739
<b>Total comprehensive income for the year, after income tax</b>		<b>-</b>	<b>-</b>	<b>364,645</b>	<b>43,989</b>	<b>408,634</b>
Conversion of convertible bond loan into shares		2,046	10,159			12,205
Share capital increase expenses, after income tax					(194)	(194)
<b>Balance 31.12.2017</b>		<b>463,110</b>	<b>10,801,029</b>	<b>572,832</b>	<b>(2,691,284)</b>	<b>9,145,687</b>

(Amounts in thousands of Euro)

	Note	Share capital	Share premium	Reserves	Retained earnings	Total
<b>Balance 31.12.2017</b>		<b>463,110</b>	<b>10,801,029</b>	<b>572,832</b>	<b>(2,691,284)</b>	<b>9,145,687</b>
Impact from the implementation of IFRS 9 as at 1.1.2018	41			103,484	(1,107,244)	(1,003,760)
<b>Balance 1.1.2018</b>		<b>463,110</b>	<b>10,801,029</b>	<b>676,316</b>	<b>(3,798,528)</b>	<b>8,141,927</b>
<b>Changes for the year 1.1 - 31.12.2018</b>						
Profit for the year, after income tax					63,404	63,404
Other comprehensive income after income tax	13			(353,212)	(1,032)	(354,244)
<b>Total comprehensive income for the year, after income tax</b>		<b>-</b>	<b>-</b>	<b>(353,212)</b>	<b>62,372</b>	<b>(290,840)</b>
<b>Balance 31.12.2018</b>		<b>463,110</b>	<b>10,801,029</b>	<b>323,104</b>	<b>(3,736,156)</b>	<b>7,851,087</b>

The attached notes (pages 304-499) form an integral part of the Bank's financial statements





## Statement of Cash Flows

(Amounts in thousands of Euro)

	Note	FROM 1 JANUARY TO 31.12.2018	31.12.2017*
<b>Cash flows from operating activities</b>			
Profit / (loss) before income tax		(387,421)	105,825
<b>Adjustments for gain/(losses) before income tax for:</b>			
Depreciation/impairment/write-offs of fixed assets		52,775	71,139
Amortization/impairment/write-offs of intangible assets		49,405	43,749
Impairment losses on financial assets and other provisions		1,508,284	902,574
Gains less losses on derecognition of financial assets measured at amortized cost		(4,715)	
Valuation of financial assets measured at fair value through profit or loss		71,366	(210,707)
Impairment of investments		394,365	242,418
(Gains)/Losses from investing activities		(678,550)	(315,829)
(Gains)/Losses from financing activities		47,015	(12,187)
		<b>1,052,524</b>	<b>826,982</b>
<b>Net (increase)/decrease in assets relating to operating activities:</b>			
Due from banks		(12,732)	566,056
Trading securities and derivative financial instruments		(30,486)	(23,693)
Loans and advances to customers		(10,347)	(15,370)
Other assets		366,797	175,375
<b>Net increase/(decrease) in liabilities relating to operating activities:</b>			
Due to banks		(3,062,438)	(5,681,151)
Due to customers		3,233,390	1,227,331
Other liabilities		(43,523)	(35,656)
<b>Net cash flows from operating activities before taxes</b>		<b>1,493,185</b>	<b>(2,960,126)</b>
Income taxes and other taxes paid		1,922	(1,499)
<b>Net cash flows from operating activities</b>		<b>1,495,107</b>	<b>(2,961,625)</b>
<b>Cash flows from investing activities</b>			
Investments in subsidiaries, associates and joint ventures		(531,585)	38,235
Disposal of subsidiaries, associates and joint ventures		38,320	55,817
Dividends received		78,159	20,188
Acquisitions of fixed and intangible assets	22, 23, 24	(126,386)	(79,029)
Disposals of fixed and intangible assets		1,171	207
Interest received in investment portfolio securities		34,295	93,866
Purchases of Greek State treasury bills		(2,157,218)	(3,393,016)
Disposals/maturities of Greek State treasury bills		2,559,786	3,725,963
Purchases of investment securities (excluding Greek state treasury bills)		(3,843,678)	(1,890,799)
Disposals/maturities of investment securities (excluding Greek state treasury bills)		2,583,014	4,370,351
<b>Net cash flows from investing activities</b>		<b>(1,364,122)</b>	<b>2,941,783</b>
<b>Cash flows from financing activities</b>			
Receipts of debt securities in issue and other borrowed funds		520,929	258,589
Interest paid for debt securities in issue and other borrowed funds		(17,241)	(9,989)
Repayments of debt securities in issue and other borrowed funds		(263,547)	(247,299)
Share capital increase expenses			(273)
<b>Net cash flows from financing activities</b>		<b>240,141</b>	<b>1,028</b>
Effect of exchange rate differences on cash and cash equivalents		1,526	794
<b>Net increase/(decrease) in cash flows</b>		<b>372,652</b>	<b>(18,020)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	15	<b>630,071</b>	<b>648,091</b>
<b>Cash and cash equivalents at the end of the year</b>	15	<b>1,002,723</b>	<b>630,071</b>

\* Certain figures of the previous year have been restated for comparability purposes.

The attached notes (pages 304-499) form an integral part of the Bank's financial statements



## Notes to the Financial Statements

### GENERAL INFORMATION

The Bank operates under the brand name of Alpha Bank A.E. using the sign of ALPHA BANK. The Bank's registered office is 40 Stadiou Street, Athens and is listed in the General Commercial Register with registration number 223701000 (ex societe anonyme registration number 6066/06/B/86/05). The Bank's duration is until 2100 but may be extended by the General Meeting of Shareholders.

In accordance with article 4 of the Articles of Incorporation, the Bank's objective is to engage, on its own account or on behalf of third parties, in Greece and abroad, independently or collectively, including joint ventures with third parties, in any and all (main and secondary) operations, activities, transactions and services allowed to credit institutions, in conformity with whatever rules and regulations (domestic, community, foreign) may be in force each time. In order to serve this objective, the Bank may perform any kind of action, operation or transaction which, directly or indirectly, is pertinent, complementary or auxiliary to the purposes mentioned above.

The tenure of the Board of Directors which was elected by the Ordinary General Meeting of Shareholders on 29.6.2018 expires in 2022.

The Board of Directors as at December 31, 2018, consists of:

#### CHAIRMAN (Non Executive Member)

Vasileios T. Rapanos

#### EXECUTIVE MEMBERS

##### MANAGING DIRECTOR

Demetrios P. Mantzounis

##### DEPUTY MANAGING DIRECTORS

Spyros N. Filaretos (COO)

Artemios Ch. Theodoridis

George C. Aronis

##### GENERAL MANAGER

Vassilios E. Psaltis

#### NON-EXECUTIVE MEMBER

Efthimios O. Vidalis \*/\*\*/\*\*

#### NON-EXECUTIVE INDEPENDENT MEMBERS

Jean L. Cheval \*/\*\*/\*\*

Carolyn Adele G. Dittmeier \*/\*\*

Richard R. Gildea \*\*/\*\*

Shahzad A. Shahbaz \*\*\*\*

Jan Oscar A. Vanhevel \*/\*\*

#### NON-EXECUTIVE MEMBER

(in accordance with the requirements of Law 3864/2010)

Johannes Herman Frederic G. Umbgrove \*/\*\*/\*\*/\*\*

#### SECRETARY

George P. Triantafyllides

It is noted that, during the Ordinary General Meeting of Shareholders held on 29.6.2018, the Managing Director - CEO of the Bank, Mr D. P. Mantzounis announced his intention to initiate his succession. On 29.11.2018, the Board of Directors unanimously elected Mr V. E. Psaltis as a Member of the Board of Directors, who took over as Chief Executive Officer on 2.1.2019. Additionally, from 2.1.2019, Mr D. P. Mantzounis has been placed as a Non Executive Member of the Board of Directors.

<sup>†</sup> Member of the Audit Committee

<sup>\*\*</sup> Member of the Remuneration Committee

<sup>\*\*\*</sup> Member of the Risk Management Committee

<sup>\*\*\*\*</sup> Member of Corporate Governance and Nominations Committee



The Executive Committee is the senior executive body of the Bank. The indicative main responsibilities include the overall service model of the Bank and the Group, three-year Business Plan, major investment and de-investment decisions, Credit and Operational Risk Policies, the Human Resources Policy, Capital allocation to Business, High-level Communication issues and major issues of the Board of Directors.

The Executive Committee as of 31.12.2018 consists of the following Executive members:

#### MANAGING DIRECTOR

Demetrios P. Mantzounis

#### DEPUTY MANAGING DIRECTORS

Spyros N. Filaretos (COO)

Artemios Ch. Theodoridis - Non-Performing Loans and Treasury Management

George C. Aronis – Retail and Wholesale Banking

#### GENERAL MANAGERS

Vassilios E. Psaltis- CFO

Spyridon A. Andronikakis - CRO

On 2.1.2019 Mr. Vassilios E. Psaltis was appointed as Chief Executive Officer and Mr Lazaros A. Papagaryfallou as General Manager - Chief Financial Officer (CFO). On 11.2.2019, Mr. Sergiu A. Oprea was appointed as General Manager of International Network and on 1.3.2019 Mr. Nikolaos V. Salakas as General Manager - Chief Legal and Governance Officer. The aforementioned new General Managers will be members of Alpha Bank's Executive Committee, effective from the date of their appointment.

The Bank's shares are listed in the Athens Stock Exchange since 1925 and are included among the companies with the higher market capitalization. Additionally, the Bank's share is included in a series of international indices, such as the MSCI Emerging Markets Index, the MSCI Greece, the FTSE All World and the FTSE4Good Emerging Index.

Apart from the Greek listing, the shares of the Bank are traded over the counter in New York (ADRs).

Total ordinary shares in issue as at 31 December 2018 were 1,543,699,381. In Athens Stock Exchange are traded 1,374,525,214 ordinary shares of the Bank, while the Hellenic Financial Stability Fund ("HFSF") possesses the remaining 169,174,167 ordinary, registered, voting, paperless shares or percentage equal to 10.96% on the total of ordinary shares issued by the Bank. The exercise of the voting rights for the shares of HFSF is subject to restrictions according to the article 7a of Law 3864/2010.

During the year of 2018, the average volume of shares trade stood at € 6,621,469.

The credit rating of the Bank performed by three international credit rating agencies is as follows:

- Moody's: Caa2 (Caa1 from 5.3.2019)
- Fitch Ratings: CCC+
- Standard & Poor's: B-

**These financial statements have been approved by the Board of Directors on 28 March 2019.**



## ACCOUNTING POLICIES APPLIED

### 1.1 Basis of presentation

These financial statements relate to the fiscal year 1.1-31.12.2018 and they have been prepared:

- a) in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union, in accordance with Regulation 1606/2002 of the European Parliament and the Council of the European Union on 19 July 2002 and
- b) on the historical cost convention. As an exception, certain assets and liabilities are measured at fair value. Those assets are mainly the following:

- Securities held for trading
- Derivative financial instruments
- Loans and advances to customers measured at fair value through profit or loss (applicable to the current reporting period)
- Investment securities measured at fair value through other comprehensive income (applicable to the current reporting period)
- Available for sale securities (applicable to 2017)
- Investment securities measured at fair value through profit or loss (applicable to the current reporting period)
- The convertible bond issued by the Bank which, until its conversion into shares that took place in the first quarter of the previous year, was included in "Debt securities in issue and other borrowed funds".

The financial statements are presented in Euro, rounded to the nearest thousand, unless otherwise indicated.

The accounting policies for the preparation of the financial statements have been consistently applied by the Bank to the years 2017 and 2018. However, the adoption of IFRS 9 resulted in significant modifications to the accounting policies for financial assets and liabilities. Accounting policies applied until 31.12.2017 are presented in note 1.30. Comparative information for 2017 was not restated, as permitted by IFRS 9. In addition, the accounting policies applied in the current reporting period took into account the following new standards and amendments to standards as well as IFRIC 22 which were issued by the International Accounting Standards Board (IASB), adopted by the European Union and applied on 1.1.2018:

► **Amendment to International Financial Reporting Standard 2 "Share-based Payment":** Classification and Measurement of Share-based Payment Transactions (Regulation 2018/289/26.2.2018)

On 20.6.2016 the International Accounting Standards Board issued an amendment to IFRS 2 with which the following were clarified:

- in estimating the fair value of a cash-settled share-based payment, the accounting for the effects of vesting and non-vesting conditions shall follow the same approach as for equity-settled share-based payments,
- where tax law requires an entity to withhold a specified amount of tax (that constitutes a tax obligation of the employee) that relates to share-based payments and shall be remitted to the tax authority, such an arrangement shall be classified as equity-settled in its entirety, provided that the share-based payment would have been classified as equity-settled had it not included the net settlement feature,
- if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification.

The above amendment had no impact on the financial statements of the Bank.

► **Amendment to International Financial Reporting Standard 4 "Insurance Contracts":** Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Regulation 2017/1988/3.11.2017)

On 12.9.2016 the International Accounting Standards Board issued an amendment to IFRS 4 with which:

- It provides insurers, whose activities are predominantly connected with insurance, with a temporary exemption from application of IFRS 9 until 1.1.2021 and



- following full adoption of IFRS 9 and until applying IFRS 17, it gives all entities with insurance contracts the option to present changes in fair value on qualifying designated financial assets in other comprehensive income instead of profit or loss.

The above amendment does not apply to the financial statements of the Bank.

► **International Financial Reporting Standard 9** “Financial Instruments” (Regulation 2016/2067/22.11.2016)

On 24.7.2014, the International Accounting Standards Board completed the issuance of the final text of IFRS 9 “Financial Instruments”, which replaced the existing IAS 39. The new standard provides for significant differentiations in the classification and measurement of financial instruments as well as in hedge accounting. An indication of the new requirements is presented below:

### Classification and measurement

Financial instruments shall be classified, after initial recognition, at either amortised cost or at fair value. The criteria that should be considered for the initial classification of the financial assets are the following:

- i. The entity's business model for managing the financial assets. Three categories of Business Models are defined:
  - Hold to collect contractual cash flows
  - Hold to collect and sell
  - Otherand
- ii. The contractual cash flow characteristics of the financial assets.

A financial asset shall be measured at amortised cost if both of the following conditions are met:

- the instrument is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

If an instrument meets the above criteria but is held with the objective of both selling and collecting contractual cash flows it shall be classified as measured at fair value through other comprehensive income.

Financial assets that are not included in any of the above two categories are mandatorily measured at fair value through profit or loss.

In addition, IFRS 9 permits, at initial recognition, equity instruments to be classified at fair value through other comprehensive income. The option precludes equity instruments held for trading. Moreover, with regards to embedded derivatives, if the hybrid contract contains a host that is within the scope of IFRS 9, the embedded derivative shall not be separated and the accounting treatment of the hybrid contract should be based on the above requirements for the classification of the financial instruments.

With regards to the financial liabilities, the main difference is that the change in the fair value of a financial liability initially designated at fair value through profit or loss shall be recognised in profit or loss with the exception of the effect of change in the liability's credit risk which shall be recognised directly in other comprehensive income.

### Impairment

Contrary to IAS 39, under which an entity recognizes only incurred credit losses, the new standard requires the recognition of expected credit losses. In particular, on initial recognition of an asset, 12-month expected credit losses are recognized. However, in case the credit risk of the issuers has increased significantly since initial recognition as well as in cases of purchased or originated credit impaired assets lifetime expected credit losses are recognized.



## Hedging

The new requirements for hedge accounting are more aligned with the entity's risk management. The main changes in relation to the current requirements of IAS 39 are summarized below:

- more items become eligible for participating in a hedging relationship either as hedging instruments or as hedged items,
- the requirement for hedge effectiveness tests to be within the range of 80%-125% is removed. Hedge effectiveness test is performed progressively only and under certain circumstances a qualitative assessment is considered adequate,
- in case that a hedging relationship ceases to be effective but the objective of risk management regarding the hedging relationship remains the same, the entity shall rebalance the hedging relationship in order to satisfy the hedge effectiveness criteria.

It is noted that the new requirements for hedge accounting do not include those that relate to macro hedging, since they have not been finalized yet.

It is noted that IFRS 9 allows a company to choose, as an accounting policy, to continue to apply the requirements of IAS 39 for hedge accounting. The Bank has made use of this right.

Except for the aforementioned modifications, the issuance of IFRS 9 has resulted in the amendment to other standards and mainly to IFRS 7 where new disclosures were added.

The impact from the application of IFRS 9 to the Bank's Financial Statements is presented in note 41.

► **International Financial Reporting Standard 15** "Revenue from Contracts with Customers" (Regulation 2016/1905/22.9.2016) and **Amendment to International Financial Reporting Standard 15** "Revenue from Contracts with Customers": Clarifications to IFRS 15 Revenue from Contracts with Customers (Regulation 2017/1987/31.10.2017)

IFRS 15 "Revenue from Contracts with Customers" was issued on 28.5.2014 by the International Accounting Standards Board. The new standard is the outcome of a joint project by the IASB and the Financial Accounting Standards Board (FASB) to develop common requirements as far as the revenue recognition principles are concerned.

The new standard shall be applied to all contracts with customers, except those that are in scope of other standards, such as financial leases, insurance contracts and financial instruments.

According to the new standard, an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. A new revenue recognition model is introduced, by applying the following five steps:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

The performance obligation notion is new and in effect represents a promise in a contract with a customer to transfer to the customer either: (a) a good or service (or a bundle of goods or services) that is distinct; or (b) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

The new IFRS 15 supersedes:

- (a) IAS 11 "Construction Contracts";
- (b) IAS 18 "Revenue";
- (c) IFRIC 13 "Customer Loyalty Programmes";
- (d) IFRIC 15 "Agreements for the Construction of Real Estate";
- (e) IFRIC 18 "Transfers of Assets from Customers"; and
- (f) SIC-31 "Revenue—Barter Transactions Involving Advertising Services".



On 12.4.2016 the International Accounting Standards Board issued an amendment to IFRS 15 with which it provided clarifications on its application.

### **Impact from the application of IFRS 15**

The Bank applies the new standard from 1.1.2018 without restating comparative information for 2017.

It is noted that the main part of Bank's income is net interest income which has not been affected by the application of IFRS 15. In the Bank, the contracts that are in the scope of the new standard relate to the provision of banking services, asset management services or services relating to coordinating and arranging syndicated loan transactions.

For services provided over time, such as management fee income earned for the provision of asset management services (i.e. performance fee income for management of asset portfolio), income is recognised as the service is being provided to the customer.

If a performance obligation is not satisfied over time, it is satisfied at a point in time. For services such as executing transactions (e.g. currency exchange transactions, customers' trading in securities) as well as coordinating and arranging syndicated loan transactions, the execution and completion of the transaction requested by the customer signals the point in time, in which the service is transferred to the customer and the revenue is recognized. It is noted that most of the Bank's commissions fall into this category and as result there was no change in the accounting treatment for their recognition due to the application of IFRS 15.

#### **► Amendment to International Accounting Standard 40 "Investment Property": Transfers of Investment Property (Regulation 2018/400/14.3.2018)**

On 8.12.2016 the International Accounting Standards Board issued an amendment to IAS 40 with which it clarified that an entity shall transfer a property to, or from, investment property when, and only when, there is a change in use. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. In isolation, a change in management's intentions for the use of a property does not provide evidence of a change in use. In addition, the examples of evidence of a change in use were expanded to include assets under construction and not only transfers of completed properties.

The adoption of the above amendment had no impact on the Bank's financial statements.

#### **► Improvements to International Accounting Standards – cycle 2014-2016 (Regulation 2018/182/7.2.2018)**

As part of the annual improvements project, the International Accounting Standards Board issued, on 8.12.2016, non-urgent but necessary amendments to IFRS 1 and IAS 28.

The adoption of the above amendments had no impact on the Bank's financial statements.

#### **► IFRIC Interpretation 22 "Foreign Currency Transactions and Advance Consideration" (Regulation 2018/519/28.3.2018)**

On 8.12.2016 the International Accounting Standards Board issued IFRIC 22. The Interpretation covers foreign currency transactions when an entity recognizes a non monetary asset or liability arising from the payment or receipt of advance consideration before the entity recognizes the related asset, expense or income. The Interpretation clarified that the date of the transaction, for the purpose of determination of exchange rate to use on initial recognition of the asset, the income or expense, is the date of initial recognition of the non monetary asset or liability (i.e. advance consideration). Additionally, if there are multiple payments or receipts in advance, the entity shall determine a date of the transaction for each payment or receipt of advance consideration.

The adoption of the above Interpretation had no impact on the Bank's financial statements.

Except for the standards mentioned above, the European Union has adopted the following new standard and amendments to standards as well as IFRIC 23 which are effective for annual periods beginning after 1.1.2018 and have not been early adopted by the Bank.

#### **► Amendment to International Financial Reporting Standard 9 "Financial Instruments": Prepayment Features with Negative Compensation (Regulation 2018/498/22.3.2018)**



Effective for annual periods beginning on or after 1.1.2019

On 12.10.2017 the International Accounting Standards Board issued an amendment to IFRS 9 that permits some prepayable financial assets with negative compensation features, that would otherwise been measured at fair value through profit or loss, to be measured at amortised cost or at fair value through other comprehensive income. The amendment to IFRS 9 clarifies that a financial asset passes the SPPI criterion regardless of the event or circumstance that cause the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

The Bank is examining the impact from the adoption of the above amendment on its financial statements.

► **International Financial Reporting Standard 16** “Leases” (Regulation 2017/1986/31.10.2017)

Effective for annual periods beginning on or after 1.1.2019

On 13.1.2016 the International Accounting Standards Board issued IFRS 16 “Leases” which supersedes:

- IAS 17 “Leases”
- IFRIC 4 “Determining whether an arrangement contains a lease”
- SIC 15 “Operating Leases – Incentives” and
- SIC 27 “Evaluating the substance of transactions involving the legal form of a lease”.

The new standard significantly differentiates the accounting of leases for lessees while essentially maintaining the existing requirements of IAS 17 for the lessors. In particular, under the new requirements, the classification of leases as either operating or finance is eliminated. A lessee is required to recognize, for all leases with term of more than 12 months, the right-of-use asset as well as the corresponding obligation to pay the lease payments. The above treatment is not required when the asset is of low value.

**Estimated impact from IFRS 16 Implementation**

The Bank will apply the standard retrospectively with the cumulative effect of initially applying the standard recognized directly in equity as at 1.1.2019 and will not restate comparative information.

The Bank has decided to apply the practical expedient and not to reassess on initial application whether a contract is, or contains, a lease and will apply the standard to contracts that were identified as leases in accordance with IAS 17.

Additionally, the Bank will make use of the following practical expedients on transition:

- apply a single discount rate to all leases,
- exclude initial direct costs from the measurement of the right-of-use asset,
- use hindsight to determine the lease term if the contract contains options to extend or terminate the lease.

In addition, the Bank has elected not to apply the requirements of the standard to leases for which the lease term is less than 12 months (short term), as well to leases for which the underlying asset is of low value when new (less than 5,000 eur). It is noted that the Bank has made assumptions for extension for leases expiring within 2019 that however are expected to be renewed.

The Bank will use as incremental borrowing rate (IBR) its secured funding rate taking into consideration the lease term. The rate will be calculated based on the yields to maturity of the Bank’s secured funding issued as well as their difference from Hellenic Republic government yield curves.

The Bank estimates that on 1.1.2019 right-of-use assets of € 121.19 million, net investment in the lease of € 10.79 million and lease liabilities of € 186 million will be recognized. Impact on equity is estimated at € 39 million before tax (€ 27.9 million after tax). The impact on CET is estimated to be 15 basis points.

► **Amendments to International Accounting Standard 19** “Employee Benefits”: Plan Amendment, Curtailment or Settlement (Regulation 2019/402/13.3.2019)

Effective for annual periods beginning on or after 1.1.2019





On 7.2.2018 the International Accounting Standards Board issued an amendment to IAS 19 with which it specified how companies determine pension expenses when changes to a defined benefit pension plan occur. In case that an amendment, curtailment or settlement takes place IAS 19 requires a company to remeasure its net defined benefit liability or asset. The amendments to IAS 19 require specifically a company to use the updated assumptions from this remeasurement to determine current service cost and net interest for the remainder of the reporting period after the change to the plan. In addition, the amendment to IAS 19 clarifies the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling.

The Bank is examining the impact from the adoption of the above amendment on its financial statements.

► **Amendment to International Accounting Standard 28** “Investments in Associates”: Long-term Interests in Associates and Joint Ventures (Regulation 2019/237/8.2.2019).

Effective for annual periods beginning on or after 1.1.2019

On 12.10.2017 the International Accounting Standards Board issued an amendment to IAS 28 to clarify that long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture —to which the equity method is not applied—should be accounted using IFRS 9, including its impairment requirements. In applying IFRS 9, the entity does not take account of any adjustments to the carrying amount of long-term interests that arise from applying IAS 28.

The Bank is examining the impact from the adoption of the above amendment on its financial statements.

► **Improvements to International Accounting Standards** – cycle 2015-2017 (Regulation 2019/412/14.3.2019)

Effective for annual periods beginning on or after 1.1.2019

As part of the annual improvements project, the International Accounting Standards Board issued, on 12.12.2017, non-urgent but necessary amendments to various standards.

The Bank is examining the impact from the adoption of the above amendments on its financial statements.

► **IFRIC Interpretation 23** “Uncertainty over Income Tax Treatments” (Regulation 2018/1595/23.10.2018)

Effective for annual periods beginning on or after 1.1.2019

On 7.6.2017 the International Accounting Standards Board issued IFRIC 23. The Interpretation clarifies application of recognition and measurement requirements in IAS 12 when there is uncertainty over income tax treatments. The Interpretation specifically clarifies the following:

- An entity shall determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments based on which approach better predicts the resolution of the uncertainty.
- The estimations for the examination by taxation authorities shall be based on the fact that a taxation authority will examine amounts it has a right to examine and have full knowledge of all related information when making those examinations.
- For the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, an entity shall consider whether it is probable that a taxation authority will accept an uncertain tax treatment.
- An entity shall reassess an estimate if the facts and circumstances change or as a result of new information.

The Bank is examining the impact from the adoption of the above Interpretation on its financial statements.

In addition, the International Accounting Standards Board has issued the following standards and amendments to standards which have not yet been adopted by the European Union and they have not been early applied by the Bank.

► **Amendment to International Financial Reporting Standard 3** “Business Combinations”

Effective for annual periods beginning on or after 1.1.2020

On 22.10.2018 the International Accounting Standards Board issued an amendment to IFRS 3 aimed at resolving the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments clarify the minimum requirements to be a business, remove the assessment of a market participant’s ability to replace



missing elements, narrow the definition of outputs, add guidance to assess whether an acquired process is substantive, introduce an optional fair value concentration test and add illustrative examples.

The Bank is examining the impact from the adoption of the above amendment on its financial statements.

► **Amendment to International Financial Reporting Standard 10** “Consolidated Financial Statements” and to **International Accounting Standard 28** “Investments in Associates and Joint Ventures”: Sale or contribution of assets between an investor and its associate or joint venture. Effective date: To be determined.

On 11.9.2014 the International Accounting Standards Board issued an amendment to IFRS 10 and IAS 28 in order to clarify the accounting treatment of a transaction of sale or contribution of assets between an investor and its associate or joint venture. In particular, IFRS 10 was amended in order to be clarified that in case that as a result of a transaction with an associate or joint venture, a parent loses control of a subsidiary, which does not contain a business, as defined in IFRS 3, it shall recognise to profit or loss only the part of the gain or loss which is related to the unrelated investor’s interests in that associate or joint venture. The remaining part of the gain from the transaction shall be eliminated against the carrying amount of the investment in that associate or joint venture. In addition, in case the investor retains an investment in the former subsidiary and the former subsidiary is now an associate or joint venture, it recognises the part of the gain or loss resulting from the remeasurement at fair value of the investment retained in that former subsidiary in its profit or loss only to the extent of the unrelated investor’s interests in the new associate or joint venture. The remaining part of the gain is eliminated against the carrying amount of the investment retained in the former subsidiary.

In IAS 28, respectively, it was clarified that the partial recognition of the gains or losses shall be applied only when the involved assets do not constitute a business. Otherwise, the total of the gain or loss shall be recognised.

On 17.12.2015, the International Accounting Standards Board deferred the effective date for the application of the amendment that had been initially determined. The new effective date will be determined by the International Accounting Standards Board at a future date after taking into account the results of its project relating to the equity method.

► **International Financial Reporting Standard 14** “Regulatory deferral accounts”

Effective for annual periods beginning on or after 1.1.2016

On 30.1.2014 the International Accounting Standards Board issued IFRS 14. The new standard, which is limited-scope, addresses the accounting treatment and the disclosures required for regulatory deferral accounts that are maintained in accordance with local legislation when an entity provides rate-regulated goods or services. The scope of this standard is limited to first-time adopters that recognized regulatory deferral accounts in their financial statements in accordance with their previous GAAP. IFRS 14 permits these entities to capitalize expenditure that non-rate-regulated entities would recognize as expense.

It is noted that European Union has decided not to launch the endorsement of this standard and to wait for the final standard.

The above standard does not apply to the financial statements of the Bank.

► **International Financial Reporting Standard 17** “Insurance Contracts”

Effective for annual periods beginning on or after 1.1.2021

On 18.5.2017 the International Accounting Standards Board issued IFRS 17 which replaces IFRS 4 “Insurance Contracts”. In contrast to IFRS 4, the new standard introduces a consistent methodology for the measurement of insurance contracts. The key principles in IFRS 17 are the following:

An entity:

- identifies as insurance contracts those contracts under which the entity accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder;



- separates specified embedded derivatives, distinct investment components and distinct performance obligations from the insurance contracts;
- divides the contracts into groups that it will recognise and measure;
- recognises and measures groups of insurance contracts at:
  - i. a risk-adjusted present value of the future cash flows (the fulfilment cash flows) that incorporates all of the available information about the fulfilment cash flows in a way that is consistent with observable market information; plus (if this value is a liability) or minus (if this value is an asset)
  - ii. an amount representing the unearned profit in the group of contracts (the contractual service margin);
- recognises the profit from a group of insurance contracts over the period the entity provides insurance cover, and as the entity is released from risk. If a group of contracts is or becomes loss-making, an entity recognises the loss immediately;
- presents separately insurance revenue, insurance service expenses and insurance finance income or expenses; and
- discloses information to enable users of financial statements to assess the effect that contracts within the scope of IFRS 17 have on the financial position, financial performance and cash flows of an entity.

It is also noted that in November 2018 the International Accounting Standards Board proposed to defer the IFRS 17 effective date to 1.1.2022.

The above standard does not apply to the financial statements of the Bank.

► **Amendments to International Accounting Standard 1** “Presentation of Financial Statements” and **International Accounting Standard 8** “Accounting Policies, Changes in Accounting Estimates and Errors”: Definition of material  
Effective for annual periods beginning on or after 1.1.2020

On 31.10.2018 the International Accounting Standards Board issued, as part of the Disclosure Initiative, amendments to IAS 1 and IAS 8 to align the definition of ‘material’ across the standards and to clarify certain aspects of the definition.

The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity. The amendments include examples of circumstances that may result in material information being obscured.

The IASB has also amended the definition of material in the Conceptual Framework to align it with the revised definition of material in IAS 1 and IAS 8.

The Bank is examining the impact from the adoption of the above amendment on its financial statements.

## 1.2 Operating Segments

Operating segments are determined and measured based on the information provided to the Executive Committee of the Bank, which is the body responsible for the allocation of resources between the Bank’s operating segments and the assessment of their performance.

Based on the above, and given the Bank’s administrative structure and activities, the following operating segments have been determined:

- Retail Banking
- Corporate Banking
- Asset Management and Insurance
- Investment Banking and Treasury
- Other

Since the Bank operates in various geographical areas, apart from the operating segments identified above, the financial statements contain information based on the below distinction:



- Greece
- Other Countries

It is noted that the methods used to measure operating segments for the purpose of reporting to the Executive Committee are not different from those required by the International Financial Reporting Standards.

Detailed information relating to operating segments is provided in note 39.

### **1.3 Transactions in foreign currency and translation of foreign operations**

#### **a. Transactions in foreign currency**

The financial statements are presented in Euro, which is the functional currency and the currency of the Bank's country of incorporation.

Items included in the financial statements for foreign branches are measured at the functional currency which is the currency of the country of incorporation in which the branch operates or the currency used in the majority of the transactions held.

Transactions in foreign currencies are translated into the functional currency at the closing exchange rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the closing exchange rate at the balance sheet date. Foreign exchange differences arising from the translation are recognized in the income statement.

Non-monetary assets and liabilities are translated using the rate of exchange at the transaction date, except for non-monetary items denominated in foreign currencies that are measured at fair value which are translated at the exchange rate of the date that the fair value is determined.

The exchange differences relating to these items are part of the change in fair value and they are recognized in the income statement or recorded directly in equity depending on the classification of the non-monetary item.

#### **b. Translation of foreign operations**

The results and financial position of all foreign branches that have a functional currency that is different from the presentation currency of the Bank's financial statements are translated as follows:

- i. Assets and liabilities are translated to Euro at the closing rate applicable on the balance sheet date. The comparative figures presented are translated to Euro at the closing rates at the respective date of the comparative balance sheet.
- ii. Income and expense items are translated to Euro at average exchange rates applicable for each period presented.

The resulting exchange differences from the above translation and those arising from other monetary items designated as a part of the net investment in a foreign entity are recorded in equity. These translation differences are reclassified to the income statement when a foreign branch is sold.

### **1.4 Cash and cash equivalents**

For the purposes of the cash flow statement, cash and cash equivalents consists of:

- a. Cash on hand
- b. Non-restricted balances with Central Banks and
- c. Short-term balances due from banks and Reverse Repo agreements

Short-term balances are amounts that mature within three months of the balance sheet date.

Non-restricted placements with Central Banks, short-term balances due from banks and Reverse Repo agreements are measured at amortised cost.



## 1.5 Classification and measurement of financial instruments

### Initial recognition

The Bank recognises financial assets or financial liabilities in its statement of financial position when it becomes a party to the terms of the contract.

At initial recognition the Bank measures financial assets and liabilities at fair values. Financial instruments not measured at fair value through profit or loss are initially recognised at fair value plus transaction costs and minus income or fees that are directly attributable to the acquisition or issue of the financial instrument.

Regular way purchases and sales of financial instruments are recognized at the settlement date with the exception of equity shares and derivatives that are recognized at the trade date. For bonds that are measured at fair value, the change in fair value during the period between the trade date and the settlement date is recognized in profit or loss or in other comprehensive income based on the bond's classification category.

### Subsequent measurement of financial assets

The Bank classifies its financial assets as:

- Financial assets measured at amortised cost,
- Financial assets measured at fair value through other comprehensive income, with gains or losses recycled to profit or loss on derecognition,
- Equity instruments measured at fair value through other comprehensive income, with no recycling of gains or losses to profit or loss on derecognition,
- Financial assets measured at fair value through profit or loss.

For each of the above categories the following apply:

#### a) Financial assets measured at amortised cost

In this category are classified the financial assets that satisfy both of the following criteria:

- are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows,
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The above category is measured at amortised cost using the effective interest method and is periodically assessed for expected credit losses, as it is further described in notes 1.13 and 1.14.

#### b) Financial assets measured at fair value through other comprehensive income, with gains or losses recycled to profit or loss on derecognition

In this category are classified the financial assets that satisfy both of the following criteria:

- are held within a business model whose objective is both to collect contractual cash flows and selling financial assets,
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The above category is periodically assessed for expected credit losses, as it is further described in notes 1.13 and 1.14.

#### c) Equity instruments measured at fair value through other comprehensive income, with no recycling of gains or losses to profit or loss on derecognition

In this category are classified equity instruments that are neither held for trading nor contingent consideration recognised by an acquirer in a business combination and that Bank decides, at initial recognition, to measure at fair value through other



comprehensive income. This decision is irrevocable. With the exception of dividends, which are directly recognized in profit or loss, all other gains and losses arising from those instruments are directly recognized in other comprehensive income and are not reclassified to profit or loss. For those equity instruments there is no impairment assessment.

#### **d) Financial assets measured at fair value through profit or loss**

Financial assets included in this category are:

- i. those acquired principally for the purpose of selling in the near term to obtain short term profit (held for trading).

The Bank has included in this category bonds, treasury bills and a limited number of shares.

- ii. those that do not meet the criteria to be classified into one of the above categories
- iii. those the Bank designated, at initial recognition, as at fair value through profit or loss. This classification option, which is irrevocable, is used when the designation eliminates an accounting mismatch which would otherwise arise from measuring financial assets and liabilities on a different basis (i.e. amortised cost) in relation to another financial asset or liability (i.e. derivatives which are measured at fair value through profit or loss).

As at the reporting date, the Bank had not designated, at initial recognition, any financial assets as at fair value through profit or loss.

#### **Business Model assessment**

The business model reflects how the Bank manages its financial assets in order to generate cash flows. That is, the Bank's business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both. The Bank's business model is determined at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. Accordingly, business model does not depend on management's intentions for an individual instrument but it is determined on a higher level of aggregation.

The business models of the Bank are determined by the Asset Liability Committee (ALCO) or the Executive Committee (ExCo) which decide on the determination of the business model both for the loans and advances to customers and the securities portfolio. In this context:

- Loans and advances to customers and due from banks are included in the business model whose objective is to hold financial assets in order to collect contractual cash flows (hold to collect)
- For bonds and in general for fixed income investments, the Bank has identified the following business models:
  - Business model whose objective is to hold financial instruments in order to collect their contractual cash flows (hold to collect)
  - Business model that aims both at collecting contractual cash flows and selling (hold to collect and sell)
  - Trading portfolio.

The determination of the above business models has been based on:

- The way the performance of the business model and the financial assets held within that business model are evaluated and reported to the Bank key management personnel.
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, specifically, the way those risks are managed.
- The way the managers are evaluated (e.g., whether the evaluation is based on the fair value of the assets managed or the contractual cash flows collected).
- Past and expected frequency and value of sales from the portfolio.

The Bank, at each reporting date, reassesses its business models in order to confirm that there has been no change compared to the prior period or application of a new business model. In the context of the reassessment of the hold to collect business model past sales as well as expected future sales are taken into account. In this assessment, the following cases of sales are considered consistent with a hold to collect business model:



- a) Sales of non performing loans due to the credit deterioration of the debtor, excluding those sales of loans considered as credit impaired at origination.
- b) Sales made close to the maturity of the financial assets so that the proceeds from the sales approximate the collection of the remaining contractual cash flows. In these cases, the Bank defines as 'close', what is less than 5% of the total life of the instrument remaining at the time of sale.
- c) Sales (excluding a and b) which are infrequent (even if significant in value) or insignificant in value both individually and in aggregate (even if frequent). The Bank has defined the following thresholds:
  - Significance: Sales exceeding 5% the previous reporting period gross balance of the respective portfolio
  - Frequency: Significant sale transactions occurring more than twice a year.

### **Solely Payments of Principal and Interest (SPPI) assessment of the contractual cash flows**

For the purposes of applying the SPPI assessment:

- Principal is the fair value of the asset at initial recognition, which may change over the life of the financial asset, (for example if there are repayments of principal).
- Interest is the consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks (i.e. liquidity risk) and costs, as well as a profit margin.

Contractual terms that introduce exposure to risks and volatility in the contractual cash flows that are not related to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.

In this context, in assessing whether contractual cash flows are SPPI, the Bank assesses whether the instrument contain contractual terms that change the timing or amount of contractual cash flows. More specifically, the following are taken into account:

- Leveraged payments
- Payments linked with the variability in exchange rates
- Conversion to equity terms
- Interest rates indexed to non-interest variables
- Prepayment or extension options
- Terms that limit the Bank's claim to the cash flows from specified assets or based on which the Bank has no contractual right to unpaid amounts
- Interest-free deferred payments
- Terms based on which the performance of the instruments is affected by equity or commodity prices

Especially in the case of financing of a special purpose vehicle, in order for the loan to meet the criterion that its cash flows are solely payments of principal and interest on the principal amount outstanding, among other, at least one of the following conditions should apply:

- At initial recognition, LTV (Loan to Value) shall not exceed the threshold of 80% or LLCR (Loan Life Coverage Ratio) shall be at least equal to the threshold of 1.25.
- The equity of the special purpose vehicle shall amount to at least 20% of its total assets.
- There are sufficient collaterals that are not related to the asset being funded.

In addition, in determining whether contractual cash flows are solely payments of principal and interest on the principal amount outstanding, it is assessed whether time value of money element has been modified. Time value of money is the element of interest that provides consideration for only the passage of time. That is, the time value of money element does not provide consideration for other risks or costs associated with holding the financial asset. However, in some cases, the time value of money element may be modified. That would be the case, for example, if a financial asset's interest rate is periodically



reset but the frequency of that reset does not match the tenor of the interest rate or if a financial asset's interest rate is periodically reset to an average of particular short- and long-term interest rates. In such cases, the Bank assesses the modification to determine whether the contractual cash flows represent solely payments of principal and interest on the principal amount outstanding. The objective of the assessment is to determine how different the contractual (undiscounted) cash flows could be from the (undiscounted) cash flows that would arise if the time value of money element was not modified (benchmark test). The effect of the modified time value of money element must be considered in each reporting period and cumulatively over the life of the instrument. If the Bank concludes that the contractual (undiscounted) cash flows could be significantly different from the (undiscounted) benchmark cash flows, the contractual cash flows are not solely payments of principal and interest on the principal amount outstanding. According to the policy set by the Bank, the above assessment test does not result in significant different contractual cash flows when the cumulative difference over the life of the instrument does not exceed 10% and at the same time the number of individual cash flows with a difference of more than 10% do not exceed 5% of total reporting periods of the asset until maturity.

### Reclassification of financial assets

Reclassifications of financial assets between measurement categories occur when, and only when, the Bank changes its business model for managing the assets. In this case the reclassification is applied prospectively. Changes in the business model of the Bank are expected to be rare. They arise from decisions of the Asset Liability Committee (ALCO) or the Executive Committee (ExCo) as a result of external or internal changes which must be significant to the entity's operations and demonstrable to external parties.

If the Bank reclassifies a financial asset out of the amortised cost measurement category and into the fair value through profit or loss measurement category, its fair value is measured at the reclassification date. Any gain or loss arising from a difference between the previous amortised cost of the financial asset and fair value is recognized in profit or loss. The same happens if the Bank reclassifies a financial asset out of the amortised cost measurement category and into the fair value through other comprehensive income measurement category, however in this case the difference between the previous amortised cost of the financial asset and fair value is recognized in other comprehensive income. The effective interest rate and the measurement of expected credit losses are not adjusted as a result of the reclassification. However, the loss allowance would be derecognized (and thus would no longer be recognized as an adjustment to the gross carrying amount) but instead would be recognized as an accumulated impairment amount in other comprehensive income.

If the Bank reclassifies a financial asset out of the fair value through profit or loss measurement category and into the amortised cost measurement category, its fair value at the reclassification date becomes its new gross carrying amount. At this date, the effective interest rate of the asset is calculated while the date of the reclassification is treated as the date of initial recognition for impairment calculation purposes.

If the Bank reclassifies a financial asset out of the fair value through profit or loss measurement category and into the fair value through other comprehensive income measurement category, the financial asset continues to be measured at fair value. As in the above case, at this date, the effective interest rate of the asset is calculated while the date of the reclassification is treated as the date of initial recognition for impairment calculation purposes.

If a financial asset is reclassified out of the fair value through other comprehensive income measurement category and into the amortised cost measurement category, the asset is reclassified at its fair value at the measurement date. However, the cumulative gain or loss previously recognized in other comprehensive income is reversed and adjusted against the fair value of the financial asset at the reclassification date. As a result, the financial asset is measured at the reclassification date as if it had always been measured at amortised cost. This reversal affects other comprehensive income but does not affect profit or loss and therefore is not a reclassification adjustment under IAS 1. The effective interest rate and the calculation of expected credit losses are not affected. However, the loss allowance is recognized as an adjustment to the gross carrying amount of the financial asset from the reclassification date.

If the Bank reclassifies a financial asset out of the fair value through other comprehensive income measurement





category and into the fair value through profit or loss measurement category, the financial asset continues to be measured at fair value. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment (in accordance with IAS 1) at the reclassification date.

### **Derecognition of financial assets**

The Bank derecognizes financial assets when:

- the contractual rights to the assets cash flows expire,
- the contractual rights to receive the cash flows of the financial assets are transferred and at the same time all the risks and rewards of ownership are substantially transferred,
- loans or investments in securities are no longer recoverable and consequently are written off,
- the contractual cash flows of the assets are significantly modified.

In the case of transactions where despite the transfer of the contractual right to receive the cash flows from financial assets both the risk and rewards remain with the Bank, no derecognition of these financial assets occurs. The amount received by the transfer is recognized as a financial liability. The accounting practices followed by the Bank in such transactions are discussed in notes 1.21 and 1.22.

In the case of transactions, whereby the Bank neither retains nor transfers risks and rewards of the financial assets, but retains control over them, the financial assets are recognized to the extent of the Bank's continuing involvement. If the Bank does not retain control of the assets then they are derecognised, and in their position the Bank recognizes, distinctively, the assets and liabilities which are created or retained during the transfer. No such transactions occurred upon balance sheet date.

In case of a change in the contractual terms of a financial asset, the change is considered significant and therefore it results in the derecognition of the original financial asset and the recognition of a new one when one of the following criteria is met:

- Change of issuer/debtor
- Change in denomination currency
- Consolidation of different types of contracts
- Consolidation of contracts that do not entirely satisfy the criterion that cash flows are solely payments of principal and interest on the principal amount outstanding
- Addition or deletion of equity conversion terms
- Separation of a non-SPPI debt instrument into two or more new instruments so that the reason that leads to SPPI failure of the original instrument is not included in all of the new instruments.
- Significant modifications occurring due to the commercial renegotiation of the contractual terms of performing borrowers.

In case of derecognition due to significant modification, the difference between the carrying amount of the original asset and the fair value of the new asset is directly recognized in the Income Statement as specifically mentioned in notes 1.26 and 1.27. Additionally, in case the original asset was measured at fair value through other comprehensive income, the cumulative gains or losses recognized in other comprehensive income are recycled to profit or loss.

In contrast, if the change in contractual cash flows is not significant, the gross carrying amount of the asset is recalculated by discounting new contractual cash flows with the original effective interest rate and the difference compared to the current gross carrying amount is directly recognized in profit or loss (modification gain or loss) in the line item "Impairment losses and provisions to cover credit risk". Fees related to the modification adjust the carrying amount of the asset and are amortised over the remaining term of the modified financial asset through the effective interest method.

### **Subsequent measurement of financial liabilities**

The Bank classifies financial liabilities in the following categories for measurement purposes:



### a) Financial liabilities measured at fair value through profit or loss

i. This category includes financial liabilities held for trading, that is:

- financial liabilities acquired or incurred principally with the intention of selling or repurchasing in the near term for short term profit, or
- derivatives not used for hedging purposes. Liabilities arising from either derivatives held for trading or derivatives used for hedging purposes are presented as “derivative financial liabilities” and are measured according to the principles set out in note 1.6.

ii. this category also includes financial liabilities which are designated by the Bank as at fair value through profit or loss upon initial recognition, when:

- doing so results in more relevant information, because either:
  - it eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases; or
  - a group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the Bank is provided internally on that basis to the Bank’s key management personnel; or
- the contract contains one or more embedded derivatives and the Bank measures the compound financial instrument as a financial liability measured at fair value through profit or loss unless:
  - the embedded derivative does not significantly modify the cash flows that otherwise would be required by the contract or
  - it is clear with little or no analysis when a similar hybrid instrument is first considered that the separation of the embedded derivative(s) is prohibited.

It is noted that in the above case, the amount of the change in fair value attributable to the Bank’s credit risk is recognized in other comprehensive income, unless this treatment would create or enlarge an accounting mismatch in profit or loss. Amounts recognized in other comprehensive income are never recycled to profit or loss.

In the context of the acquisition of Emporiki Bank, the Bank issued a bond which was classified in the above mentioned category. The bond was converted into shares in the first quarter of the preceding year.

### b) Financial liabilities carried at amortised cost

The liabilities classified in this category are measured at amortised cost using the effective interest method.

Liabilities to credit institutions and customers, debt securities issued by the Bank and other loan liabilities are classified in this category.

In cases when financial liabilities included in this category are designated as the hedged item in a hedge relationship, the accounting principles applied are those set out in note 1.6.

### c) Liabilities arising from financial guarantees and commitments to provide loans at a below market interest rate

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the agreed terms.

The financial guarantee contracts and the commitments to provide loans at a below market interest rate are initially recognized at fair value, and measured subsequently at the higher of:

- the amount of the provision determined during expected credit loss calculation (note 1.13),
- the amount initially recognised less cumulative amortization which is calculated based on the term of the instrument.

**d) Financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies**

In the first case the liability should be equal to the amount received during the transfer while in the second case it should be measured in such a way that the net carrying amount of the transferred asset and the associated liability is:

- The amortised cost of the rights and obligations retained by the Bank, if the transferred asset is measured at amortised cost or
- Equal to the fair value of the rights and obligations retained by the Bank when measured on a stand-alone basis, if the transferred asset is measured at fair value.

**e) Contingent consideration recognized by an acquirer in a business combination**

Such contingent consideration is subsequently measured at fair value with changes recognized in profit or loss.

**Derecognition of financial liabilities**

Financial liabilities (or part thereof) are derecognized when the contractual obligation is been discharged, cancelled or expires.

When a financial liability is exchanged for another liability with substantially different terms, the exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new one. The same applies in cases of a substantial modification of the terms of an existing financial liability or a part of it (whether or not attributable to the financial difficulty of the debtor). The terms are considered substantially different if the discounted present value of the cash flows under the new terms (including any fees paid net of any fees received), discounted using the original effective interest rate, is at least 10% different from the present value of the remaining cash flows of the original financial liability.

In cases of derecognition, the difference between the carrying amount of the financial liability (or part of the financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

**Offsetting financial assets and financial liabilities**

Financial assets and liabilities are offset and the amounts are reported net on the balance sheet, only when the Bank has the legally enforceable right to offset recognized amounts and there is the intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

**1.6 Derivative financial instruments and hedge accounting****Derivative financial instruments**

Derivatives are financial instruments that upon inception have a minimal or zero fair value that subsequently changes in accordance with a particular underlying instrument or indices defined in the contract (foreign exchange, interest rate, index or other variable).

All derivatives are recognized as assets when their fair value is positive and as liabilities when their fair value is negative.

Derivatives are entered into for either hedging or trading purposes and they are measured at fair value irrespective of the purpose for which they have been transacted.

In case a derivative is embedded in a financial asset, the embedded derivative is not separated and the hybrid contract is accounted for based on the classification requirements mentioned in note 1.5.

In case a derivative is embedded in a host contract, other than a financial asset, the embedded derivative is separated and measured at fair value through profit or loss when the following conditions are met:



- the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host,
- a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and
- the hybrid contract is not measured at fair value with changes in fair value recognised in profit or loss.

The Bank uses derivatives as a means of exercising Asset-Liability management within the guidelines established by the Asset-Liability Committee (ALCO).

In addition the Bank uses derivatives for trading purposes to exploit short-term market fluctuations, within the Bank risk level set by the Asset-Liability Committee (ALCO).

Valuation differences arising from derivatives are recognized in Gains less losses on financial transactions and impairments on Group companies except when derivatives participate in hedging relationships in which case the principles for hedge accounting mentioned below apply.

When the Bank uses derivatives for hedging purposes hedge relationships are formally designated and documented at inception, and effectiveness is monitored on an ongoing basis at each balance sheet date.

We emphasize the following:

#### **a. Synthetic Swaps**

The Bank, in order to increase the return on deposits to selected customers, uses synthetic swaps.

This involves the conversion of a Euro deposit to JPY or other currency with a simultaneous forward purchase of the related currency to cover the foreign exchange exposure.

The result arising from the forward transaction is recognized as interest expense, which is included in deposits' interest expense, foreign exchange differences and other gains less losses on financial transactions.

#### **b. FX Swaps**

These types of swaps are entered into primarily to economically hedge the exposures arising from customer loans and deposits.

For those cases for which no hedge accounting is applied, swaps are accounted for as trading instruments.

The result arising from these derivatives is recognized as interest and foreign exchange differences, in order to match with the interest element and foreign exchange differences resulting from the deposits and loans, and as other gains less losses on financial transactions.

#### **Hedge accounting**

Hedge accounting establishes the valuation rules to offset the gain or loss of the fair value of a hedging instrument and a hedged item which would not have been possible if the normal measurement principles were applied. It is noted that the Bank has opted to continue to apply the provisions for hedge accounting of IAS 39.

Documentation of the hedging relationship upon inception and of the effectiveness of the hedge on an on-going basis are the basic requirements for the adoption of hedge accounting.

The hedge relationship is documented upon inception and the hedge effectiveness test is carried out upon inception and is repeated at each reporting date.

A hedge is regarded as highly effective only if both of the following conditions are met:

- at the inception of the hedge and in subsequent periods the hedge is expected to be highly effective in achieving offsetting changes in fair value or cash flows attributable to the hedged risk during the period for which the hedge is designated,
- the results of the hedge are within a range of 80%-125% of the results of the hedged item.



### **a. Fair value hedges**

A fair value hedge of a financial instrument offsets the change in the fair value of the hedged item in respect of the risks being hedged.

Changes in the fair value of both the hedging instrument and the hedged item, in respect of the specific risk being hedged, are recognized in the income statement.

When the hedging relationship no longer exists, the hedged items continue to be measured based on the classification and valuation principles set out in note 1.5. Specifically any adjustment, due to the fair value change of a hedged item for which the effective interest method is used, up to the point that the hedging relationship ceases to be effective, is amortised to interest income or expense based on a recalculated effective interest rate, over its remaining life.

The Bank uses interest rate swaps (IRS's ) to hedge risks relating to borrowings and loans. It also uses foreign exchange derivatives to hedge the foreign exchange risk of investments in subsidiaries.

### **b. Cash flow hedge**

A cash flow hedge changes the cash flows of a financial instrument from a variable rate to a fixed rate.

The effective portion of the gain or loss on the hedging instrument is recognized directly in other comprehensive income, in cash flow hedge reserve, whereas the ineffective portion is recognized in gains less losses on financial transactions and impairments on Group companies. The accounting treatment of the hedged item does not change.

When the hedging relationship is discontinued, the amount recognized in equity remains there separately until the cash flows or the future transaction occur. When the cash flows or the future transaction occur the following apply:

- If the result is the recognition of a financial asset or a financial liability, the amount is reclassified to profit or loss in the same periods during which the hedged forecast cash flows affect profit or loss.
- If the result is the recognition of a non-financial asset or a non-financial liability or a firm commitment for which fair value hedge accounting is applied, the amount recognized in equity either is reclassified to profit or loss in the same periods during which the asset or the liability affect profit or loss or adjusts the carrying amount of the asset or the liability.

When a forecasted transaction or the expected cash flows are no longer expected to occur, the cumulative gain or loss that was recognized in equity is reclassified to profit or loss.

The Bank applies cash flow hedge accounting for specific groups of term deposits. The amount that has been recognized in equity, as a result of revoked cash flow hedging relationships for term deposits, is linearly amortised in the periods during which the hedged cash flows from the aforementioned term deposits affect profit or loss.

### **c. Hedges of net investment in a foreign operation**

Hedge accounting of net investment in a foreign operation is similar to cash flow hedge accounting. The cumulative gain or loss recognized in equity is reversed and recognized in profit or loss, at the time that the disposal of the foreign operation takes place.

## **1.7 Fair Value Measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability.

The Bank measures the fair value of assets and liabilities traded in active markets based on available quoted market prices. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. Especially, for the measurement of securities, the Bank uses a particular range of prices, within the bid-ask spread,



in order to characterize the prices as prices of an active market (the difference between bid and ask prices quoted should not exceed 1.5/100 nominal value). Furthermore, if quoted market prices are not available on the measurement date, but they are available during the three last working days of the reporting period and there are quoted prices for 15 working days during the last month of the reporting period and the criteria of the bid-ask spread is met, then the market is considered to be active.

The fair value of financial instruments that are not traded in an active market is determined by the use of valuation techniques, appropriate in the circumstances, and for which sufficient data to measure fair value are available, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. If observable inputs are not available, other model inputs are used which are based on estimations and assumptions such as the determination of expected future cash flows, discount rates, probability of counterparty default and prepayments. In all cases, the Bank uses the assumptions that 'market participants' would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

Assets and liabilities which are measured at fair value or for which - fair value is disclosed-, are categorized according to the inputs used to measure their fair value as follows:

- Level 1 inputs: quoted market prices (unadjusted) in active markets,
- Level 2 inputs: directly or indirectly observable inputs,
- Level 3 inputs: unobservable inputs used by the Bank, to the extent that relevant observable inputs are not available.

In particular, the Bank applies the following:

### **Financial instruments**

For financial instruments the best evidence of fair value at initial recognition is the transaction price, unless the fair value can be derived by other observable market transactions relating to the same instrument, or by a valuation technique using mainly observable inputs. In these cases, if the fair value differs from the transaction price, the difference is recognized in the statement of comprehensive income. In all other cases, fair value is adjusted to defer the difference with the transaction price. After initial recognition, the deferred difference is recognized as a gain or loss only to the extent that it arises from a change in a factor that market participants would take into account when pricing the instrument.

When measuring fair value, the Bank takes into consideration the effect of credit risk. Specifically, for derivative contracts, the Bank estimates the credit risk of both counterparties (bilateral credit valuation adjustments).

The Bank measures fair value for all assets and liabilities separately. Regarding derivative exposures, however, that the Bank manages as a group on a counterparty basis and for which it provides information to the key management personnel, the fair value measurement for credit risk is performed based on the net risk exposure per counterparty. Credit valuation adjustments arising from the aforementioned process are allocated to either assets or liabilities, depending on whether the net exposure to the counterparty is long or short respectively.

Furthermore, the fair value of deposit accounts with a demand feature (such as saving deposits) is no less than the amount payable on demand, discounted from the first date that the amount could be required to be paid.

The principal inputs to the valuation techniques used by the Bank are:

- Bond prices - quoted prices available for government bonds and certain corporate securities.
- Credit spreads - these are derived from active market prices, prices of credit default swaps or other credit based instruments, such as debt. Values between and beyond available data points are obtained by interpolation and extrapolation.
- Interest rates - these are principally benchmark interest rates such as the LIBOR, OIS and other quoted interest rates in the swap, bond and futures markets. Values between and beyond available data points are obtained by interpolation and extrapolation.



- Foreign currency exchange rates - observable markets both for spot and forward contracts and futures.
- Equity and equity index prices - quoted prices are generally readily available for equity shares listed on stock exchanges and for major indices on such shares.
- Price volatilities and correlations - Volatility and correlation values are obtained from pricing services or derived from option prices.
- Unlisted equities - financial information specific to the company or industry sector comparables.
- Mutual Funds- for open-ended investments funds listed on a stock exchange the published daily quotations of their net asset values (NAVs).
- Loans and Deposits – market data and Bank/customer specific parameters.

### Non financial assets and liabilities

The most important category of non financial assets for which fair value is estimated is real estate property.

The process, mainly, followed for the determination of the fair value is summarized below:

- Assignment to the engineer- valuer
- Case study- Setting of additional data
- Autopsy - Inspection
- Data processing - Calculations
- Preparation of the valuation report

To derive the fair value of the real estate property, the valuer chooses among the three following valuation techniques:

- Market approach (or sales comparison approach), which measures the fair value by comparing the property to other identical ones for which information on transactions is available.
- Income approach, which capitalizes future cash flows arising from the property using an appropriate discount rate.
- Cost approach, which reflects the amount that would be required currently to replace the asset with another asset with similar specifications, after taking into account the required adjustment for impairment.

Examples of inputs used to determine the fair value of properties and which are analysed to the individual valuations, are the following:

- **Commercial property:** price per square meter, rent growth per annum, long-term vacancy rate, discount rate, expense rate of return, lease term, rate of non leased properties/units for rent.
- **Residential property:** Net return, reversionary yield, net rental per square meter, rate of continually non leased properties/units, expected rent value per square meter, discount rate, expense rate of return, lease term etc.
- **General assumptions such as** the age of the building, residual useful life, square meter per building etc. are also included in the analysis of the individual valuation assessments.

It is noted that the fair value measurement of a property takes into account a market's participant ability to generate economic benefits by using the asset in it's highest and best use or by selling it to another market participant that would use the asset in it's highest and best use.

### 1.8 Investments in subsidiaries, associates and joint ventures

This caption includes Bank's investments in subsidiaries, associates and joint ventures.

Investments in subsidiaries, associates and joint ventures are carried at cost, plus any expenses directly attributable to their acquisition less impairment losses.

Dividends received by the Bank from the above investments are recognised in the income statement when the dividend distribution is approved by the appropriate body of the company that the Bank has invested in.



In case of absorption of a subsidiary, the Bank applies the provisions of IFRS 3 for business combinations, as described in more detail in note 1.2 of the consolidated financial statements as at 31.12.2018.

### **1.9 Property, plant and equipment**

This caption includes: land, buildings used by the branches or for administrative purposes, additions and improvements of leased property and equipment.

Property, plant and equipment are initially recognised at cost which includes any expenditure directly attributable to the acquisition of the asset.

Subsequently, property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Subsequent expenditure is recognized on the carrying amount of the item when it increases future economic benefit.

Expenditure on repairs and maintenance is recognized in profit or loss as an expense as incurred.

Depreciation is charged on a straight line basis over the estimated useful lives of property, plant and equipment and it is calculated on the asset's cost minus residual value.

The estimated useful lives are as follows:

- Buildings: up to 40 years.
- Additions to leased fixed assets and improvements: duration of the lease.
- Equipment and vehicles: 5 to 33 years.

Land is not depreciated but is tested for impairment.

The residual value of property and equipment and their useful lives are periodically reviewed and adjusted if necessary at each reporting date.

Property, plant and equipment are reviewed at each reporting date to determine whether there is an indication of impairment and if they are impaired the carrying amount is adjusted to its recoverable amount with the difference recorded in profit or loss.

Gains and losses from the sale of property and equipment are recognized in profit or loss.

### **1.10 Investment property**

The Bank includes in this category buildings or portions of buildings together with their respective portion of land that are held to earn rental income.

Investment property is initially recognised at cost which includes any expenditure directly attributable to the acquisition of the asset.

Subsequently, investment property is measured at cost less accumulated depreciation and impairment losses.

Subsequent expenditure is recognized on the carrying amount of the item when it increases future economic benefit.

All costs for repairs and maintenance are recognized in profit or loss as incurred.

The estimated useful lives over which depreciation is calculated using the straight line method are the same as those applied to property, plant and equipment.

Transfers to and from the category of investment property are made when the property meets (or ceases to meet) the definition of investment property and there is evidence of change in its use. In particular, the property is reclassified in "Property, plant and equipment" if the Bank decides to use it while it is reclassified in the category of property held for sale if a decision is taken to sell it and if the criteria referred to in paragraph 1.17 are met. Conversely, property not classified as "Investment Property" is transferred to this category in case a decision for its lease is made.





### 1.11 Goodwill and other intangible assets

The Bank has included in this caption:

**a) Intangible assets** which are recognized from business combinations in accordance with IFRS 3 or which were individually acquired. The intangible assets are carried at cost less accumulated amortization and impairment losses.

Intangible assets include the value attributed to the acquired customer relationships as well as to the acquired deposit bases. Their useful life has been determined from 2 to 9 years

**b) Software**, which is measured at cost less accumulated amortization and impairment losses. The cost of separately acquired software comprises of its purchase price and any directly attributable cost of preparing the software for its intended use, including employee benefits or professional fees. The cost of internally generated software comprises of expenditure incurred during the development phase, including employee benefits arising from the generation of the software. Amortization is charged over the estimated useful life of the software, which the Bank has estimated up to 15 years. Expenditure incurred to maintain software programs is recognized in the income statement as incurred. Software that is considered to be an integral part of hardware (hardware cannot operate without the use of the specific software) is classified in property, plant and equipment.

**c) Brand names and banking rights** which are measured at cost less accumulated amortization and impairment losses. Amortization is charged over the estimated useful life.

Intangible assets are amortised using the straight line method, excluding those with indefinite useful life, which are not amortised. All intangible assets are tested for impairment.

No residual value is estimated for intangible assets.

### 1.12 Leases

The Bank enters into leases either as a lessee or as a lessor.

When the risks and rewards incident to ownership of an asset are transferred to the lessee they are classified as finance leases.

All other lease agreements are classified as operating leases.

The accounting treatment followed depends on the classification of the lease, which is as follows:

#### a) When the Bank is the lessor

##### i. Finance leases:

For finance leases where the Bank is the lessor the aggregate amount of lease payments is recognized as loans and advances.

The difference between the present value (net investment) of lease payments and the aggregate amount of lease payments is recognized as unearned finance income and is deducted from loans and advances.

The lease rentals received decrease the aggregate amount of lease payments and finance income is recognized on an accrual basis.

The finance lease receivables are subject to the same impairment testing as applied to customer loans and advances as described in note 1.13.

##### ii. Operating leases:

When the Bank is a lessor of assets under operating leases, the leased asset is recognized and depreciation is charged over its estimated useful life. Income arising from the leased asset is recognized as other income on an accrual basis.



## **b) When the Bank is the lessee**

### **i. Finance leases:**

For finance leases, where the Bank is the lessee, the leased asset is recognized as property, plant and equipment and a respective liability is recognized in other liabilities.

At the commencement of the lease, the leased asset and liability are recognized at amounts equal to the fair value of leased property or, if lower, the present value of the minimum lease payments.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease or, if this is not available, the Bank's borrowing rate for similar financing.

Subsequent to initial recognition the leased assets are depreciated over their useful lives unless the duration of the lease is less than the useful life of the leased asset and the Bank is not expected to obtain ownership at the end of the lease, in which case the asset is depreciated over the term of the lease.

The lease payments are apportioned between the finance charge and the reduction of the outstanding liability.

### **ii. Operating leases:**

For operating leases the Bank as a lessee does not recognize the leased asset but charges in general administrative expenses the lease payments on an accrual basis.

## **1.13 Credit impairment losses on loans and advances to customers, undrawn loan commitments, letters of credit and letters of guarantee**

The Bank, at each reporting date, recognizes a loss allowance for expected credit losses on loans and advances to customers not measured at fair value through profit or loss as well as for off-balance sheet exposures (letters of guarantee, letters of credit, undrawn loan commitments).

The loss allowance for loans and off-balance sheet exposures is based on expected credit losses related to the probability of default within the next twelve months, unless there has been a significant increase in credit risk from the date of initial recognition in which case expected credit losses are recognized over the life of the instrument. In addition, if the financial asset falls under the definition of purchased or originated credit impaired (POCI) financial assets, a loss allowance equal to the lifetime expected credit losses is recognized.

### **a) Default definition**

The Bank has adopted as default definition non-performing exposures (NPE), as defined in the EBA Guidelines (GL/2016/07), thus harmonizing the definition of default used for accounting purposes with the one used for regulatory purposes.

### **b) Classification of exposures into stages based on credit risk (Staging)**

For the purposes of calculating expected credit losses, the exposures are classified into stages as follows:

- Stage 1: Stage 1 includes performing exposures that do not have significant increase in credit risk since initial recognition. Stage 1 also includes exposures for which credit risk has been improved and the exposure has been reclassified from stages 2 or 3. In this stage, expected credit losses are recognized based on the probability of default within the next twelve months.
- Stage 2: Stage 2 includes performing exposures for which there has been a significant increase in credit risk since initial recognition. Stage 2 also includes exposures for which credit risk has been improved and the exposure has been reclassified from stage 3. In this stage, lifetime expected credit losses are recognized.
- Stage 3: Stage 3 includes non performing/impaired exposures. In this stage, lifetime expected credit losses are recognized.



As an exception to the above, for purchased or originated credit impaired (POCI) exposures, lifetime expected credit losses are always recognized. Purchased or originated credit impaired exposures include:

- Exposures that at the time of acquisition meet the criteria to be classified as non-performing exposures.
- Exposures for which there has been a change in repayment terms, either due to financial difficulty or not, which resulted in derecognition and recognition of a new impaired asset (POCI) expect when derecognition is due to the change of debtor of a corporate loan in which case the creditworthiness of the new debtor is reassessed.

### c) Significant increase in credit risk

In determining significant increase in credit risk of an exposure since initial recognition and the recognition of lifetime expected credit losses instead of 12 months expected credit losses, the Bank assesses, at each reporting date, the risk of default compared to the risk of default at initial recognition for all its performing exposures including those with no delinquencies.

The assessment of the significant increase in credit risk is based on the following:

- Quantitative Indicators: refers to the quantitative information used and more specifically to the comparison of the probability of default (PD) between the reporting date and the date of initial recognition.
- Qualitative Indicators: refers to the qualitative information used which is not necessarily reflected in the probability of default, such as the classification of an exposure as forborne performing (FPL, according to EBA ITS). Additional qualitative indicators, both for corporate and retail portfolios are also reflected through the Early Warning indicators where depending on the underlying assessment, an exposure can be considered to have a significant increase in credit risk or not. Especially for special lending portfolio, additional qualitative indicators are captured through slotting category.
- Backstop Indicators: in addition to the above, and in order to capture cases for which there are no triggers reflecting the increase in credit risk, based on qualitative and quantitative indicators, the 30 days past due indicator is used as a backstop.

### d) Calculation of expected credit loss

The measurement of expected credit losses is made as follows:

- For financial assets, a credit loss is the present value of the difference between:
  - (a) the contractual cash flows and
  - (b) the cash flows that the Bank expects to receive
- For undrawn loan commitments, a credit loss is the present value of the difference between:
  - (a) the contractual cash flows that are due if the holder of the loan commitment draws down the loan; and
  - (b) the cash flows that the Bank expects to receive if the loan is drawn down.

For letters of guarantee and letters of credit, the loss is equal to the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Bank expects to receive from the holder.

For present value calculation, original effective interest rate is used as a discount rate. Especially for POCI assets credit—adjusted effective interest rate is used.

The Bank calculates impairment losses either on a collective (collective assessment) or on an individual basis (individual assessment), taking into account the significance of an exposure or the borrower's limit. In addition, exposures that do not have common credit risk characteristics or for which there are no sufficient historical behavioral data are assessed on an individual basis.

The Bank calculates expected credit losses based on the weighted probability of three scenarios. More specifically, the Economic Research Division produces forecasts for the possible evolution of macroeconomic variables that affect the level



of expected credit losses of loan portfolios under a baseline and under alternative macroeconomic scenarios and also generates the cumulative probabilities associated with these scenarios.

The mechanism for calculating expected credit loss is based on the following credit risk parameters:

- Probability of Default (PD): It is an estimate of the probability of a debtor to default over a specific time horizon.
- Exposure at default (EAD): Exposure at Default is an estimate of the amount of the exposure at the time of the default taking into account: (a) expected changes in the exposure after the reporting date, including principal and interest payments; (b) the expected use of credit limits and (c) accrued interest. The approved credit limits that have not been fully disbursed represent a potential credit exposure and are converted into a credit exposure equal to the approved undrawn credit limit multiplied by a Credit Conversion Factor (CCF). The Credit Conversion factor of credit exposure is calculated based on statistical models.
- Loss given default (LGD): Loss given default is an estimate of the loss that will occur if the default occurs at a given time. It is based on the difference between the contractual cash flows due and those expected to be received, including the liquidation of collaterals and cure rate.

#### **e) Measurement of expected credit losses on receivables from customers**

Receivables from customers are derived from the Bank's commercial, other than loan, activity. The loss allowance for receivables from customers is measured at an amount equal to the lifetime expected credit losses (there is no stage allocation) based on the simplified approach provided by IFRS 9.

#### **f) Presentation of expected credit losses in financial statements**

Loss allowances for expected credit losses are presented in the Balance Sheet as follows:

- Financial assets measured at amortised cost: loss allowance is presented as a deduction from the gross carrying amount of the assets.
- Financial assets measured at fair value through other comprehensive income: for those assets no loss allowance is recognized in the Balance Sheet, however, its amount is disclosed in the notes to the financial statements.
- Letters of credit/letters of guarantee: loss allowance is recognized in line "Provisions" of liabilities in Balance Sheet.
- Undrawn loan commitments: When there is not also a loan, loss allowance is recognized in line "Provisions" of liabilities in Balance Sheet. If a financial asset includes both a loan and an undrawn loan commitment, the accumulated expected credit losses of the loan commitment are presented together with the accumulated expected credit losses of the loan, as a deduction from its gross carrying amount. To the extent that the combined expected credit losses exceed the gross carrying amount of the loan, the expected credit losses are recognized in line "Provisions" of liabilities in Balance Sheet.

The amount of expected credit losses for the period is presented in the caption "Impairment losses and provisions to cover credit risk". In the same caption the following are also recognized: recoveries from written-off loans measured at amortised cost or at fair value through other comprehensive income, modification gains or losses of loans measured at amortised cost or at fair value through other comprehensive income and the favourable changes in expected credit losses of POCL assets in case expected credit losses are less than the amount of expected credit losses included in the estimated cash flows on initial recognition.

#### **g) Write-offs**

The Bank proceeds with the write-off of loans and advances to customers when it has no reasonable expectations for their recovery. In this case, the loss allowance is used against the carrying amount of the financial asset.



### 1.14 Credit impairment losses on due from banks and bonds

The Bank, at each reporting date, recognizes a loss allowance for expected credit losses on due from banks and bonds not measured at fair value through profit or loss.

The loss allowance is based on expected credit losses related to the probability of default within the next twelve months, unless there has been a significant increase in credit risk from the date of initial recognition in which case expected credit losses are recognized over the life of the instrument. In addition, if the financial asset falls under the definition of purchased or originated credit impaired (POCI) financial assets, a loss allowance equal to the lifetime expected credit losses is recognized.

#### a) Default definition

Due from banks and bonds are considered impaired when the external rating of the issuer/counterparty is equivalent to default (D). In case there is no external rating, then the instrument is characterized as impaired based on internal rating. If there is also an exposure to the corporate issuer/counterparty to the loan portfolio which has been classified as impaired, the instrument is also characterized as impaired.

#### b) Classification of due from banks and bonds into stages based on credit risk (Staging)

For the purposes of calculating expected credit losses, the exposures are classified into stages as follows:

- Stage 1: Stage 1 includes non impaired instruments that do not have significant increase in credit risk since initial recognition. Stage 1 also includes instruments for which credit risk has been improved and the instrument has been reclassified from stages 2 or 3. In this stage, expected credit losses are recognized based on the probability of default within the next twelve months.
- Stage 2: Stage 2 includes non impaired instruments for which there has been a significant increase in credit risk since initial recognition. Stage 2 also includes instruments for which credit risk has been improved and the instrument has been reclassified from stage 3. In this stage, lifetime expected credit losses are recognized.
- Stage 3: Stage 3 includes impaired instruments. In this stage, lifetime expected credit losses are recognized.

As an exception to the above, for purchased or originated credit impaired (POCI) instruments, lifetime expected credit losses are always recognized. An instrument is characterized as purchased or originated credit impaired when:

- The instrument (or the issuer) has an external rating that corresponds to default at the time of acquisition
- Corporate bonds resulting from debt restructuring are classified as purchased or originated credit impaired, based on the guidelines applicable to the loan portfolio.

When a debt security has been purchased at a large discount and does not fall into any of the categories mentioned above, the Bank examines the transaction in detail (transaction price, recovery rate, issuer's financial condition at the time of purchase, etc.) in order to determine whether it should be recognised as purchased or originated credit-impaired (POCI). Classification in this category requires documentation and approval by the relevant committees of the Bank.

#### c) Significant increase in credit risk

The classification into stages for the purpose of expected credit loss measurement is based on the credit rating of rating agencies or, for corporate securities issued by Greek issuers for which there is also an exposure in loan portfolio, on the issuer's internal rating.

The Bank defines as low credit risk all investment grade securities, which are classified in Stage 1.

The determination of significant increase in credit risk for non-investment grade securities is based on the following two conditions:

- Downgrade in the issuer / counterparty's credit rating on the reporting dates compared to the credit rating on the date of the initial recognition.



- Increase in the probability of default of the issuer / counterparty for the 12-month period compared to the corresponding probability of default at initial recognition.

Additionally, the Bank monitors the change in the credit spread since initial recognition. A change in credit spread at the reporting date that exceeds a specific threshold compared to the credit margin prevailing at the date of initial recognition is a trigger for reviewing the securities classification stage.

#### **d) Calculation of expected credit loss**

The expected credit loss is the present value of the difference between:

- (a) the contractual cash flows and
- (b) the cash flows that the Bank expects to receive

For present value calculation, original effective interest rate is used as a discount rate. Especially for POCI assets credit—adjusted effective interest rate is used.

For the calculation of the expected credit loss, the following parameters are used:

- Probability of default (PD): the probability of default over the next 12 months is used to calculate the expected credit loss for 12 months, and the probability of default over the life of the instrument is used to calculate the lifetime expected credit losses.
- Exposure at default (EAD): In the case of securities, the Bank estimates the future unamortised cost in order to calculate the EAD. In particular, for each period, EAD is the maximum loss that would result from issuer / counterparty potential default.
- Loss given default (LGD) is the percentage of the total exposure that the Bank estimates as unlikely to recover at the time of the default. The Bank distinguishes sovereigns from non-sovereign issuers / counterparties as regards to the LGD estimation. In case the Bank has also granted a loan to the issuer / counterparty of the security, the estimated LGD is aligned to corresponding estimate for the loan portfolio (taking into account any potential collaterals the loan portfolio is likely to have against the unsecured debt securities).

#### **e) Presentation of expected credit losses in financial statements**

Loss allowances for expected credit losses are presented in the Balance Sheet as follows:

- Financial assets measured at amortised cost: loss allowance is presented as a deduction from the gross carrying amount of the assets.
- Financial assets measured at fair value through other comprehensive income: for those assets no loss allowance is recognized in the Balance Sheet, however, its amount is disclosed in the notes to the financial statements.

The amount of expected credit losses for the period is presented in the caption “Impairment losses and provisions to cover credit risk”. The caption includes also the favourable changes in expected credit losses of POCI assets in case expected credit losses are less than the amount of expected credit losses included in the estimated cash flows on initial recognition.

### **1.15 Impairment losses on investments and non-financial assets**

The Bank assess at each balance sheet date its investments in subsidiaries, associates and joint ventures as well as non-financial assets for impairment, particularly property, plant and equipment, investment property, goodwill and other intangible assets.

In assessing whether there is an indication that an asset may be impaired both external and internal sources of information are considered, of which the following are indicatively mentioned:

- The asset’s market value has declined significantly, more than would be expected as a result of the passage of time or normal use.
- Significant changes with an adverse effect have taken place during the period or will take place in the near future, in



the technological, economic or legal environment in which the entity operates or in the market to which the asset is dedicated.

- Significant unfavorable changes in foreign exchange rates.
- Market interest rates or other rates of return of investments have increased during the period, and those increases are likely to affect the discount rate used in calculating an asset's value in use.
- The carrying amount of the net assets of the entity is greater than its market capitalization.
- Evidence is available of obsolescence or physical damage of an asset.

In addition, collection of dividends from subsidiaries, associates and joint ventures is considered as a possible impairment indicator when investments are tested for impairment at each reporting date.

An impairment loss is recognized in profit or loss when the recoverable amount of an asset is less than its carrying amount. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Fair value less costs to sell is the amount received from the sale of an asset (less the cost of disposal) in an orderly transaction between market participants.

Value in use is the present value of the future cash flows expected to be derived from an asset or cash –generating unit through their use and not from their disposal.

For the valuation of property, plant and equipment, value in use incorporates the value of the asset as well as all the improvements which render the asset perfectly suitable for its use by the Bank.

### **1.16 Income tax**

Income tax consists of current and deferred tax.

Current tax for a period includes the expected amount of income tax payable in respect of the taxable profit for the current reporting period, based on the tax rates enacted at the balance sheet date.

Deferred tax is the tax that will be paid or for which relief will be obtained in future periods due to the different period that certain items are recognized for financial reporting purposes and for taxation purposes. It is calculated based on the temporary differences between the tax base of assets and liabilities and their respective carrying amounts in the financial statements.

Deferred tax assets and liabilities are calculated using the tax rates that are expected to apply when the temporary difference reverses, based on the tax rates (and laws) enacted at the balance sheet date.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Income tax, both current and deferred, is recognized in profit or loss except when it relates to items recognized directly in equity. In such cases, the respective income tax is also recognized in equity.

### **1.17 Non-current assets held for sale**

Non-current assets or disposal groups that are expected to be recovered principally through a sale transaction, along with the related liabilities, are classified as held-for-sale.

The above classification is used if the asset is available for immediate sale in its present condition and its sale is highly probable. The sale is considered highly probable when it has been decided by Management, an active programme to locate a buyer has been initiated, the asset is actively marketed for sale at a price which is reasonable in relation to its current fair value, and the sale is expected to be completed within one year. Non-current assets that are acquired exclusively with a view to their subsequent disposal are classified as held for sale at the acquisition date when the one-year requirement is met and it is highly probable that the remaining criteria will be met within a short period following the acquisition (usually within three months).



Before their classification as held for sale, the assets are remeasured in accordance with the respective accounting standard.

Assets held for sale are initially recognised and subsequently remeasured at each balance sheet date at the lower of their carrying amount and fair value less cost to sell.

Any loss arising from the above measurement is recorded in profit or loss and can be reversed in the future. When the loss relates to a disposal group it is allocated to assets within the disposal group with the exception of specific assets that are not within the scope of IFRS 5. The impairment loss on a disposal group is first allocated to goodwill and then to the remaining assets and liabilities on a pro-rata basis.

Assets in this category are not depreciated.

Gains or losses from the sale of these assets are recognized in the income statement.

Non-current assets that are acquired through enforcement procedures but are not available for immediate sale or are not expected to be sold within a year are included in Other Assets and are measured at the lower of cost (or carrying amount) and fair value less cost to sell. Non-current assets held for sale, that the Bank subsequently decides either to use or to lease, are reclassified to the categories of property, plant and equipment or investment property respectively. During their reclassification, they are measured at the lower of their recoverable amount and their carrying amount before they were classified as held for sale, adjusted for any depreciation, amortization or revaluation that would have been recognized had the assets not been classified as held for sale.

### **1.18 Employee benefits**

The Bank has both defined benefit and defined contribution plans.

A defined contribution plan is where the Bank pays fixed contributions into a separate entity and the Bank has no legal or constructive obligation to pay further contributions if the fund does not have sufficient assets to pay all employees the benefits relating to employee service in current or prior years. The contributions are recognized as employee benefit expense on an accrual basis. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement which is dependent, among others, on years of service and salary on date of retirement and it is guaranteed by the Bank.

The defined benefit obligation is calculated, separately for each plan, based on an actuarial valuation performed by independent actuaries using the projected unit credit method.

The net liability recognized in the financial statements is the present value of the defined benefit obligation (which is the expected future payments required to settle the obligation resulting from employee service in the current and prior periods) less the fair value of plan assets. The amount determined by the above comparison may be negative, an asset. The amount of the asset recognised in the financial statements cannot exceed the total of the present value of any economic benefits available to the Bank in the form of refunds from the plan or reductions in future contributions to the plan.

The present value of the defined benefit obligation is calculated based on the return of high quality corporate bonds with a corresponding maturity to that of the obligation, or based on the return of government bonds in cases when there is no deep market in corporate bonds.

Interest on the net defined benefit liability (asset), which is recognised in profit or loss, is determined by multiplying the net defined benefit liability (asset) by the discount rate used to discount post-employment benefit obligation, as determined at the start of the annual reporting period, taking into account any changes in the net defined benefit liability (asset).

Service cost, which is also recognised in profit or loss, consists of:

- Current service cost, which is the increase in the present value of the defined benefit obligation resulting from employee service in the current period;





- Past service cost, which is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting from the introduction or withdrawal of, or changes to, a defined benefit plan or a curtailment (a significant reduction by the entity in the number of employees covered by a plan) and
- Any gain or loss on settlement.

Before determining past service cost or a gain or loss on settlement, the Bank remeasures the net defined benefit liability (asset) using the current fair value of plan assets and current actuarial assumptions, reflecting the benefits offered under the plan before its amendment, curtailment or settlement.

Past service cost, in particular, is directly recognized to profit or loss at the earliest of the following dates:

- When the plan amendment or curtailment occurs; and
- When the Bank recognizes related restructuring costs (according to IAS 37) or termination benefits.

Likewise, the Bank recognises a gain or loss on the settlement when the settlement occurs.

Remeasurements of the net defined benefit liability (asset) which comprise:

- actuarial gains and losses;
- return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and
- any change in the effect of the limitation in the asset recognition, excluding amounts included in net interest on the net defined benefit liability (asset),

are recognized directly in other comprehensive income and are not reclassified in profit or loss in a subsequent period.

Finally, when the Bank decides to terminate the employment before retirement or the employee accepts the Bank's offer of benefits in exchange for termination of employment, the liability and the relative expense for termination benefits are recognized at the earlier of the following dates:

- when the Bank can no longer withdraw the offer of those benefits; and
- when the Bank recognizes restructuring costs which involve the payment of termination benefits.

### **1.19 Share options granted to employees**

The granting of share options to the employees, their exact number, the price and the exercise date are decided by the Board of Directors in accordance with Shareholders' Meeting approvals and after taking into account the current legal framework.

The fair value calculated at grant date is recognized over the period from the grant date to the exercise date and recorded as an expense in payroll and related costs with an increase of a reserve in equity respectively. The amount paid by the beneficiaries of share options on the exercise date increases the share capital of the Bank and the reserve in equity from the previously recognized fair value of the exercised options is transferred to share premium.

### **1.20 Provisions and contingent liabilities**

A provision is recognized if, as a result of a past event, the Bank has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are, also, recognized in cases of restructuring plans with which management attempts either to change the subject of a corporate activity or the manner in which it is conducted (e.g. close down business locations). The recognition of provision is accompanied with the relevant, authorized by the Management, program and with the suitable actions of disclosure. A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both necessarily entailed by the restructurings and not associated with the ongoing activity of the Bank

The amount recognized as a provision shall be the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Where the effect of the time value of money is material, the amount of the provision is equal to the present value of the expenditures expected to settle the obligation.



Amounts paid for the settlement of an obligation are set against the original provisions for these obligations. Provisions are reviewed at the end of each reporting period. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed. Additionally, provisions are not recognized for future operating losses.

Future events that may affect the amount required to settle the obligation, for which a provision has been recognized, are taken into account when sufficient objective evidence exists that they will occur.

Reimbursements from third parties relating to a portion of or all of the estimated cash outflow are recognized as assets, only when it is virtually certain that they will be received. The amount recognized for the reimbursement does not exceed the amount of the provision. The expense recognized in profit or loss relating to the provision is presented net of the amount of the reimbursement.

The Bank does not recognize in the statement of financial position contingent liabilities which relate to:

- possible obligations resulting from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Bank, or
- present obligations resulting from past events for which:
  - it is not probable that an outflow of resources will be required, or
  - the amount of liability cannot be measured reliably.

The Bank provides disclosures for contingent liabilities taking into consideration their materiality.

### **1.21 Sale and repurchase agreements and securities lending**

The Bank enters into purchases of securities under agreements to resell at a certain date in the future at a fixed price (reverse repos). Securities purchased subject to commitments to resell them at future dates are not recognized in the balance sheet.

The amounts paid are recognized in loans and advances to either banks or customers. The difference between the purchase price and the resale price is recognized as interest income on an accrual basis.

Securities that are sold under agreements to repurchase (repos) are not derecognized but they continue to be measured in accordance with the accounting policy of the category that they have been classified.

The proceeds from the sale of the securities are reported as liabilities to either banks or customers. The difference between the sales price and the repurchase price is recognized on an accrual basis as interest expense.

Securities borrowed by the Bank under securities lending agreements are not recognized in the balance sheet except when they have been sold to third parties whereby the liability to deliver the security is recognized and measured at fair value.

### **1.22 Securitization**

The Bank securitises financial assets, by transferring these assets to special purpose entities, which in turn issue bonds.

In each securitization of financial assets the Bank considers the contractual terms and the economic substance of transactions, in order to decide whether the Bank should proceed with the derecognition of the securitized assets, as referred in note 1.5.

### **1.23 Equity**

#### **Distinction between debt and equity**

Financial instruments issued by the Bank to obtain funding are classified as equity when, based on the substance of the transaction, the Bank does not undertake a contractual obligation to deliver cash or another financial asset or to exchange financial instruments under conditions that are potentially unfavorable to the issuer.

In cases when the Bank is required to issue equity instruments in exchange for the funding obtained, the number of equity instruments must be fixed and determined on the initial contract, in order for the obligation to be classified as equity.



### **Incremental costs of share capital increase**

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from retained earnings.

### **Share premium**

Share premium includes the difference between the nominal value of the shares and the cost consideration received in the case of a share capital increase.

It also includes the difference between the nominal value of the shares issued and their market value, in cases of exchanges of shares as consideration for the acquisition of a business by the Bank.

### **Treasury shares**

The cost of acquiring treasury shares is recognized as a reduction of equity. Subsequent gains or losses from the sale of treasury shares, after deducting all direct costs and taxes, are recognized directly in retained earnings.

### **Retained earnings**

Dividends are deducted from retained earnings and recorded as a liability in the period that the dividend is approved by the Shareholders' General Meeting.

## **1.24 Interest income and expense**

Interest income and expense is recognized in the income statement for all interest bearing financial assets and liabilities.

Interest income and expense is recognised on an accrual basis and measured using the effective interest method. Especially for POCI assets, interest income is calculated using credit-adjusted effective interest rate.

Effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Bank estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate.

For financial assets, in particular, the following apply:

- For those financial assets classified within stage 1 or stage 2 for the purpose of expected credit losses measurement, interest income is calculated by applying effective interest rate to the gross carrying amount of the asset.
- For those financial assets classified within stage 3 for the purpose of expected credit losses measurement, interest income is calculated by applying the effective interest rate to the amortised cost of the asset.
- For purchased or originated credit impaired financial assets interest income is calculated by applying the credit-adjusted effective interest rate to the amortised cost of the asset.

Borrowing costs that are directly attributable to assets that require a substantial period of time to get ready for their intended use or sale are capitalized as part of the cost of the asset. Capitalisation ceases when substantially all the activities necessary to prepare the asset for its intended use are complete.

## **1.25 Fee and commission income**

Fees and commission income from contracts with customers are recognized based on the consideration specified in the contract when the Bank satisfies the performance obligation by transferring the service to the customer. With the exception of specific portfolio management fees which are calculated on the basis of the size and performance of the portfolio, the services provided have a fixed price. Variable portfolio management fees are recognized when all related uncertainties are resolved.



For commissions on services provided over time, revenue is recognized as the service is being provided to the customer, such as commissions to provide account management services, fees for administration of syndicated loans, fees for portfolio management and investment services advice.

For transaction-based fees, the execution and completion of the transaction executed signals the point in time, in which the service is transferred to the customer and the revenue is recognized, such as currency transactions, purchases / sales of securities as well as issue and disposal of syndicated loans and bonds.

Transaction revenues relating to the recognition of a financial instrument not measured at fair value through profit or loss are capitalized and amortised in the income statement using the effective interest method over the life of the financial instrument.

### **1.26 Gains less losses on financial transactions and impairments on Group companies**

Gains less losses on financial transactions and impairments on Group companies include:

- fair value changes of financial assets and liabilities,
- gains and losses arising from the modification of the contractual terms of financial assets measured at fair value through profit or loss,
- gains and losses arising from the derecognition of financial assets and liabilities due to early repayment, disposal or significant modification of the contractual terms, except for gains and losses arising from the derecognition of financial assets measured at amortised cost which are recognized in a separate line item of the Income Statement,
- gains and losses arising from the impairment or disposal of Bank's investments in subsidiaries, associates and joint ventures,
- exchange differences arising from the translation of financial instruments denominated in foreign currencies.

### **1.27 Gains less losses on derecognition of financial assets measured at amortised cost**

Gains less losses on derecognition of financial assets measured at amortised cost include:

- Gains and losses from the derecognition of financial assets measured at amortised cost
- The difference, at initial recognition, between the nominal and the fair value of a financial asset measured at amortised cost that is the result of the derecognition of another financial asset due to significant modification of its contractual terms.

### **1.28 Discontinued operations**

A discontinued operation is a component of the Bank that either has been disposed of, or has been classified as held for sale and represents:

- a major line of the Bank's business; or
- a geographical area of operations.

The assets and liabilities of discontinued operations are presented separately from other assets and liabilities in the balance sheet and are not offset.

Any cumulative income or expense recognized directly in equity relating to a discontinued operation is presented separately (as a separate line in equity).

The post tax profit or loss from discontinued operations and any losses recognized on the measurement to fair value less costs to sell of the disposal group are presented in a separate line in the face of the income statement after net profit from continuing operations.

The comparative financial statements are restated only for the income statement and the cash flow statement.



### 1.29 Related parties definition

According to IAS 24, a related party is a person or entity that is related to the entity that is preparing its financial statements. For the Bank, in particular, related parties are considered:

**a)** An entity that constitutes for the Bank:

- i) a subsidiary,
- ii) a joint venture,
- iii) an associate and
- iv) a Post-Employment Benefit Plan, in this case the Supplementary Fund of former Alpha Credit Bank's employees.

**b)** A person or an entity that have control, or joint control, or significant influence over the Bank.

This category includes Hellenic Financial Stability Fund and its subsidiaries, because, in the context of the L.3864/2010, the HFSF participates in the Board of Directors and in significant committees of the Bank and as a result is considered to have significant influence over it.

**c)** A person and his close family members, if that person is a member of the key management personnel.

The Bank considers as key management personnel all the members of the Bank's Board of Directors and of the Bank's Executive Committee while as their close family members it considers their children and spouses or domestic partners and their dependants and the dependants of their spouses or domestic partners.

Moreover, the Bank discloses all transactions and outstanding balances with entities which are controlled or jointly controlled by the above mentioned persons. This disclosure concerns participations of the above persons in entities that exceed 20%.

### 1.30 Comparatives

To the extent considered necessary the comparatives have been adjusted to facilitate changes in presentation of the current year amounts.

It is noted, however, that the adoption of IFRS 9 resulted in significant changes in the accounting policies for financial assets and liabilities and in particular in the classification, measurement and impairment. The Bank, making use of the exception provided by IFRS 9, did not adjust comparative information. The main accounting policies for financial instruments that were applied until 31.12.2017, in accordance with IAS 39, are presented below. The full set of those accounting policies is presented in the annual financial statements as at 31.12.2017.

## Accounting policies applied for financial instruments until 31.12.2017

### 1. Classification and measurement of financial instruments

#### Financial Assets

The Bank classifies its financial assets as:

- Loans and receivables
- Held-to-maturity investments
- Financial assets at fair value through profit or loss
- Available-for-sale financial assets

For each of the above categories the following apply:

#### a) Loans and receivables

Non derivative financial assets, with fixed or determinable payments, that are not quoted in an active market and for which the



Bank does not expect not to recover substantially its investment other than because of credit deterioration of the issuer, can be classified as loans and receivables.

This category is measured at amortised cost using the effective interest method and is periodically tested for impairment based on the procedures described in section 2 “Impairment losses on loans and advances” below.

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating the interest income or expense during the relative period. The effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts through the contractual life of a financial instrument or the next repricing date.

#### **b) Held-to-maturity investments**

Non derivative financial assets with fixed or determinable payments and fixed maturity that the Bank has the positive intention and ability to hold until maturity can be classified as Held-to-maturity investments.

Held-to-maturity investments are measured at amortised cost using the effective interest method and are tested for impairment at each reporting date. In cases when objective evidence exists that an impairment loss has occurred, the carrying amount of the financial asset is reduced to the recoverable amount, and the difference is recognised in profit or loss.

#### **c) Financial assets at fair value through profit or loss**

Financial assets included in this category are:

- i. Financial assets which are acquired principally for the purpose of selling in the near term to obtain short term profit (held for trading).
- ii. Financial assets the Bank designated, at initial recognition, as at fair value through profit or loss. This classification is used in the following circumstances:
  - When management monitors and manages the financial instruments on a fair value basis in accordance with a documented risk management or investment strategy.
  - When the designation eliminates an accounting mismatch which would otherwise arise from measuring financial assets and liabilities on a different basis (i.e. amortised cost) in relation to another financial asset or liability (i.e. derivatives which are measured at fair value through profit or loss).
  - When a financial instrument contains an embedded derivative that significantly modifies the cash flows, or the separation of these derivatives from the main financial instruments is not prohibited.

As at the reporting date, the Bank had not designated, at initial recognition, any financial assets as at fair value through profit or loss.

#### **d) Available-for-sale**

Available-for-sale financial assets are financial assets that have not been classified in any of the previous categories.

This category is measured at fair value. Changes in fair value are recognized directly in equity until the financial asset is sold, where upon, the cumulative gains and losses previously recognized in equity are recognized in profit or loss.

The financial assets included in this category are reviewed at each balance sheet date to determine whether there is any indication of impairment. For investments in shares, in particular, a significant or prolonged decline in their fair value below their acquisition cost is considered as an objective evidence of impairment. The Bank considers as “significant” a decrease of over 20% compared to the cost of the investment. Respectively, “prolonged” is a decrease in the fair value below amortised cost for a continuous period exceeding one year. The above criteria are assessed in conjunction with the general market conditions.

In case of impairment, the cumulative loss already recognised in equity is reclassified in profit or loss. When a subsequent event causes the amount of impairment loss recognised on an available-for-sale bond or debt security to decrease, the impairment loss is reversed through profit or loss, if it can objectively be related to an event occurring after the impairment loss



was recognized. However, impairment losses recognised for investments in shares and mutual funds are not reversed through profit or loss.

The measurement principles noted above are not applicable when a specific financial asset is the hedged item in a hedging relationship, in which case the principles set out in note 1.6 apply.

### **Financial Liabilities**

The Bank classifies financial liabilities in the following categories for measurement purposes:

#### **a) Financial liabilities measured at fair value through profit or loss**

i. This category includes financial liabilities held for trading, that is:

- financial liabilities acquired or incurred principally with the intention of selling or repurchasing in the near term for short term profit, or
- derivatives not used for hedging purposes. Liabilities arising from either derivatives held for trading or derivatives used for hedging purposes are presented as “derivative financial liabilities” and are measured according to the principles set out in note 1.6.

ii. this category also includes financial liabilities which are designated by the Bank as at fair value through profit or loss upon initial recognition, according to the principles set out above for financial assets (point cii).

In the context of the acquisition of Emporiki Bank, the Bank issued a bond which was classified in the above mentioned category.

#### **b) Financial liabilities carried at amortised cost**

The liabilities classified in this category are measured at amortised cost using the effective interest method.

In cases when financial liabilities included in this category are designated as the hedged item in a hedge relationship, the accounting principles applied are those set out in note 1.6.

#### **c) Liabilities arising from financial guarantees and commitments to provide loans at a below market interest rate**

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment.

The financial guarantee contracts and the commitments to provide loans at a below market interest rate are initially recognized at fair value, and measured subsequently at the higher of:

- the amount of the provision (determined in accordance with IAS 37) when an outflow of resources is considered probable and a reliable estimate of this outflow is possible,
- the amount initially recognised less cumulative amortization.

### **Derivative financial instruments and hedge accounting**

The accounting principles applied for derivatives until 31.12.2017 are no different from those applicable from 1.1.2018.

Exceptions are derivatives embedded in other financial assets, which are mandatorily separated, measured at fair value and included within derivative financial assets or liabilities when:

- a. host contract is not measured at fair value through profit or loss
- b. the economic characteristics and risks of the embedded derivatives are not closely related to those of the host contract

## **2. Impairment losses on loans and advances**

The Bank assess at each balance sheet date whether there is evidence of impairment in accordance with the general principles and methodology set out in IAS 39 and the relevant implementation guidance.



Specifically, the steps performed are the following:

#### **a. The criteria of assessment on an individual or collective basis**

The Bank assesses for impairment on an individual basis the loans that it considers individually significant. Loans that are considered individually significant are mentioned in note 38.1 of the annual financial statements as at 31.12.2017. For the remaining loans impairment test is performed on a collective basis.

The Bank has determined the criteria that consist trigger events for the assessment of impairment.

Loans which are individually assessed for impairment and found not impaired are included in groups, based on similar credit risk characteristics, and assessed for impairment collectively.

The Bank groups the portfolio into homogenous populations, based on common risk characteristics, and has a historical statistical basis, in which it performs an analysis with which it captures and defines impairment testing, by segment population. In addition, as part of the collective assessment, the Bank recognizes impairment for loss events that have been incurred but not reported (IBNR). The calculation of the impairment loss in these cases takes into account the period between the occurrence of a specific event and the date it becomes known (Loss Identification Period).

A detailed analysis of the loans that belong to the wholesale and the retail sectors, of the trigger events for impairment as well as of the characteristics used for the determination of the groups for the collective assessment is included in note 38.1 of the annual financial statements as at 31.12.2017

#### **b. Methodology in determining future cash flows from impaired loans**

The Bank has accumulated a significant amount of historical data, which includes the loss given default for loans after the completion of forced recovery, or other measures taken to secure collection of loans, including the realization of collaterals.

Based on the above, the amount of the recoverable amount of each loan is determined after taking into account the time value of money. The cash flows are discounted at the loans' original effective interest rate.

An impairment loss is recognized to the extent that the recoverable amount of the loan is less than its carrying amount.

#### **c. Interest income recognition**

Interest income on impaired loans is recognized based on the carrying value of the loan net of impairment at the original effective interest rate.

#### **d. Impairment recognition – Write – offs**

Amounts of impaired loans are recognized on allowance accounts until the Bank decides to write them down/write them off.

The policy of the Bank regarding write downs/write offs is presented in detail in note 38.1 of the annual financial statements as at 31.12.2017.

#### **e. Recoveries**

If in a subsequent period, after the recognition of the impairment loss, events occur which require the impairment loss to be reduced, or there has been a collection of amounts from loans and advances previously written-off, the recoveries are recognized in impairment losses and provisions to cover credit risk.

### **1.31 Estimates, decision making criteria and significant sources of uncertainty**

The Bank, in the context of applying accounting policies and preparing financial statements in accordance with the International Financial Reporting Standards, makes estimates and assumptions that affect the amounts that are recognized as income, expenses, assets or liabilities. The use of estimates and assumptions is an integral part of recognizing amounts in the financial statements that mostly relate to the following:





### **Fair value of assets and liabilities**

For assets and liabilities traded in active markets, the determination of their fair value is based on quoted, market prices. In all other cases the determination of fair value is based on valuation techniques that use observable market data to the greatest extent possible. In cases where there is no observable market data, the fair value is determined using data that are based on internal estimates and assumptions eg. determination of expected cash flows, discount rates, prepayment probabilities or potential counterparty default.

### **Business Model Assessment**

Classification of financial assets is based on the assessment of business model and contractual cash flows. Business model, in particular, is determined at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment requires judgement in which the following are taken into account: the way the performance of the business model is evaluated, the risks that affect the performance of the asset portfolios held within the business model, the way managers of the Bank are evaluated and the expected frequency and value of sales. For financial assets included in hold to collect business model, the Bank assesses past sales as well as expected future sales in order to confirm consistency with a hold to collect business model.

### **Expected credit losses of financial assets**

The measurement of expected credit losses requires the use of complex models and significant estimates of future economic conditions and credit behavior, taking into account the events that have occurred until reporting date. Significant estimates are also required to identify the criteria that indicate a significant increase in credit risk, the choice of appropriate methodologies for measuring expected credit risk losses and the determination of the alternative macroeconomic scenarios and the cumulative probabilities associated with these scenarios as well as the assumptions included in the Group's business plan for the reduction of non-performing exposures. Estimates are also required for the determination of the expected duration, the date of initial recognition of revolving facilities as well as the grouping of financial assets based on similar credit risk characteristics.

### **Impairment losses on investments in subsidiaries, associates and joint ventures and on non - financial assets**

The Bank, at each year end balance sheet date, assesses for impairment non – financial assets, and in particular property, plant and equipment, investment property, goodwill and other intangible assets, as well as its investments in subsidiaries, associates and joint ventures. Internal estimates are used to a significant degree to determine the recoverable amount of the assets, i.e. the higher between the fair value less costs to sell and value in use.

### **Income Tax**

The Bank recognizes assets and liabilities for current and deferred tax, as well as the related expenses, based on estimates concerning the amounts expected to be paid to or recovered from tax authorities in the current and future periods. Estimates are affected by factors such as the practical implementation of the relevant legislation, the expectations regarding the existence of future taxable profit and the settlement of disputes that might exist with tax authorities etc. Future tax audits, changes in tax legislation and the amount of taxable profit actually realised may result in the adjustment of the amount of assets and liabilities for current and deferred tax and in tax payments other than those recognized in the financial statements of the Bank. Any adjustments are recognized within the year that they become final.

### **Employee defined benefit obligations**

Defined benefit obligations are estimated based on actuarial valuations that incorporate assumptions regarding discount rates, future changes in salaries and pensions, as well as the return on any plan assets. Any change in these assumptions will affect the amount of obligations recognized.



## Provisions and contingent liabilities

The Bank recognises provisions when it estimates that it has a present legal or constructive obligation that can be estimated reliably, and it is almost certain that an outflow of economic benefits will be required to settle the obligation. In contrast, when it is probable that an outflow of resources will be required, or when the amount of liability cannot be measured reliably, the Bank does not recognise a provision but it provides disclosures for contingent liabilities, taking into consideration their materiality. The estimation for the probability of the outflow as well as for the amount of the liability are affected by factors which are not controlled by the Bank, such as court decisions and the practical implementation of the relevant legislation.

The estimates and judgments applied by the Bank in making decisions and in preparing the financial statements are based on historical information and assumptions which at present are considered appropriate. The estimates and judgments are reviewed on an ongoing basis in order to take into account current conditions, and the effect of any changes is recognized in the period in which the estimates are revised.

### 1.31.1 Going concern principle

The Bank applied the going concern principle for the preparation of the financial statements as at 31.12.2018. For the application of this principle, the Bank takes into consideration current economic developments in order to make projections for future economic conditions of the environment in which it operates. The main factors that cause uncertainties regarding the application of this principle relate to the economic environment in Greece and abroad and to the liquidity levels of the Hellenic Republic and the banking system.

The prolonged recession that the Greek economy has experienced in recent years led to the significant deterioration in the creditworthiness of corporate and individuals and, consequently, to the rapid increase in non performing loans, resulting in the recognition of significant impairment losses by the Bank and by the Greek banking system in general.

In addition, as a result of the Greek sovereign debt crisis and the measures taken to deal with it, combined with the uncertainties created during the negotiations of the Hellenic Republic with the European Commission, the European Central Bank and the International Monetary Fund for the financing of the Hellenic Republic during the first half of 2015, there was a significant outflow of deposits and the imposition of capital controls and of a bank holiday which was announced on 28.6.2015 and lasted until 19.7.2015. Capital controls have been removed to a significant extent while the detailed provisions for their application are amended where appropriate by the adoption of a legislative act. As at the date of the financial statements, the liquidity needs of Greek credit institutions continue to be partially met by the Eurosystem's mechanisms, and the total amount of borrowing is gradually being reduced.

Within the year, in particularly in August 2018, the third financial support program of the Hellenic Republic was successfully completed, while providing the possibility of forming a cash buffer of € 24.1 billion, which is estimated to be able to cover the needs of the Hellenic Republic for a period of around 22 months, beginning from August 2018, a fact which significantly reduces potential financial risks after the completion of the program. It is also noted that the Hellenic Republic is taking steps to gradually recover its access to the financial markets to meet its financing needs, as specifically described in note 1.31.2.

In addition, the Bank successfully completed the European stress testing exercise by the ECB in accordance with the methodology of the European Banking Authority. Based on the exercise, under the adverse scenario, 2020 CET1 ratio stood at 9.7% while under the baseline scenario 2020 CET1 ratio reached 20.4%. Based on feedback received from the Single Supervisory Mechanism (SSM) no capital plan is required.

Based on the above and taking into account:

- the Bank's high capital adequacy, with which the impact from the application of IFRS 9 is also covered (notes 41 and 42)
- the fact that there is an increase in deposits and financing from non-Eurosystem sources
- the amount of available eligible collaterals through which liquidity is ensured, to the extent required, through the mechanisms of the eurosystem.

the Bank estimates that, at least for the next 12 months, the conditions for the application of the going concern principle for the preparation of its financial statements are met.



### 1.31.2 Estimation of the Bank's exposure to the Hellenic Republic

The Bank's total exposure to Greek Government securities and loans related to the Hellenic Republic is presented in note 40.1. The main uncertainties regarding the estimations for the recoverability of the Bank's total exposure relate to the debt service capacity of the Hellenic Republic, which, in turn, is affected by the development of the macroeconomic environment in Greece and the Eurozone as well as by the levels of liquidity of the Hellenic Republic.

As far as debt sustainability is concerned and in accordance with the relevant framework set out in the previous meetings of Eurogroup, it is noted that the short-term measures for enhancing the Greek debt sustainability were implemented. In addition, in the Eurogroup meeting held in 21.6.2018 the medium-term measures for enhancing the Greek debt sustainability were described. In particular, it was confirmed that the gross financing needs of the Greek government should be less than the 15% of GDP in the medium-term and subsequently less than the 20% of GDP while ensuring that the debt remains on a sustained downward path. In order to achieve the aforementioned targets, it was decided:

- The abolition of the step-up interest rate margin related to the debt buy-back tranche of the second Greek program.
- The use of profits from Central Banks (Securities Markets Products, Agreement on Net Financial Assets) from bond's markets realized in previous periods. These amounts will be used to reduce gross financing needs or to finance other agreed investments.
- A deferral of European Financial Stability Fund (EFSF) interest and amortization by 10 years and an extension of the maximum weighted average maturity by 10 years, respecting the program authorized amount.

The first two measures mentioned above are subject to the continuance and implementation of the agreed reforms, as well as to the fiscal commitments to achieve a primary surplus of 3.5% of GDP until 2022 and a primary surplus of 2.2% of GDP on average in the period from 2023 to 2060.

In the long- term and in the event of an adverse scenario further exceptional debt measures could be implemented. The further deferral of debt in conjunction with the cash buffer represent a significant backstop to the financing risks for the next two years.

Finally, it is noted that the Hellenic Republic is taking steps to gradually recover its access to the financial markets to cover its financing needs. In particular, the Hellenic Republic, following the successful completion of the exchange of its bonds issued in the context of Private Sector Involvement (PSI) in the Greek debt restructuring in 2012, with new bonds aiming at aligning the terms of the bonds with market standards, normalizing the Republic's yield curve and enhancing titles' marketability, proceeded, in January 2019, with a new five-year bond issue, as a result of which funds of € 2.5 billion were raised. In addition, in March 2019, the Hellenic Republic issued a new ten-year bond raising funds of an amount of € 2.5 billion while the credit rating agency Moody's raised Greece's sovereign credit rating to B1 from B3.

Based on the above, the Bank considers that there has been no significant increase in credit risk on the Greek Government securities that it held as at 31.12.2018 since initial recognition, however, it assesses the developments relating to the Greek Government debt in conjunction with the market conditions and it reviews its estimations for the recoverability of its total exposure at each reporting date.

### 1.31.3 Recoverability of deferred tax assets

The Bank recognizes deferred tax assets to the extent that it is probable that it will have sufficient future taxable profit available, against which, deductible temporary differences and tax losses carried forward can be utilized. The estimation of future taxable profits is based on forecasts for the development of the accounting results, as these are formulated in accordance with the business plan of the Bank. In particular, the business plan includes actions aimed at enhancing profitability through:

- the reduction of the amount of non-performing exposures, based on the plan submitted to the Single Supervisory Mechanism (SSM),
- further reduction of operating costs,
- interest income increase through targeted financing of business segments,



- increase in commission income from services and products offered to individuals and corporates and
- the active management of the sources and the financing costs of the Bank.

The main categories of deferred tax assets which have been recognized by the Bank relate to tax losses carried forward, to losses from the Greek government bonds exchange program (PSI) and the December 2012 Greek government bond buyback program and to deductible temporary differences arising from loans' impairment.

Deferred tax assets on tax losses carried forward can be offset against taxable profits within five years from their formation. In particular, Bank's tax losses relate only to the year 2014 and are expected to be fully offset by tax profits of 2019.

Deferred tax assets associated with tax losses incurred by the PSI and the participation of the Bank in the December 2012 Greek government bond buyback program were recognized as a "debit difference" according to Law 4046/14.2.2012, Law 4110/23.1.2013 and a respective legal opinion. According to Law 4110/23.1.2013 the "debit difference" is deductible for tax purposes, gradually in equal installments, within 30 years, a fact which, according to the Bank's estimation, provides a sufficient time period for its gradual utilization against taxable profits.

Regarding the temporary differences arising from loans' impairment, there are no time constraints concerning their recovery, as is the case for the other deferred tax assets categories. The Bank assessed their recoverability based on estimates for future taxable profits, as these are forecasted on the basis of the aforementioned business plan, after extending the period of estimation for a limited number of years compared to the business plan. In addition, taking into account the fact that losses resulting from the write-down of debts and the sale of loans, as specifically mentioned in note 13 are recognized gradually and equally over a period of 20 years, it is estimated that there is sufficient time for offsetting against taxable profits.

The Bank, based on the above, estimates that the total deferred tax assets recognized and that relate to temporary differences and to tax losses carried forward is recoverable.

In addition, and regardless of the assessment of the recoverability of deferred tax assets that is carried out based on what is mentioned above, Law 4303/2014 provides that in case that the after tax accounting result for the period is a loss, deferred tax assets arising from the PSI debit difference and from the accumulated provisions and other general losses due to credit risk are eligible to be converted into a final and settled claim against the Greek State, as described in detail in note 13.

The main uncertainties concerning the estimations for the recoverability of the deferred tax assets relate to the achievement of the goals set in the Bank's business plan, which is affected by the general macroeconomic environment in Greece and internationally. At each balance sheet date, the Bank reassesses its estimation regarding the recoverability of deferred tax assets in conjunction with the development of the factors that affect it.



## INCOME STATEMENT

## 2. Net interest income

	FROM 1 JANUARY TO	
	31.12.2018	31.12.2017*
<b>Interest and similar income</b>		
Due from banks	1,280	3,272
Loans and advances to customers measured at amortised cost	1,706,581	1,929,396
Loans and advances to customers measured at fair value through profit or loss	14,132	
Trading securities	265	304
Investment securities measured at fair value through other comprehensive income	130,959	
Investment securities measured at fair value through profit or loss	818	
Available for sale securities		190,105
Held to maturity securities		(21)
Loans and receivables securities		828
Derivative financial instruments	147,198	93,544
Other	2,751	8,178
<b>Total</b>	<b>2,003,984</b>	<b>2,225,606</b>
<b>Interest expense and similar charges</b>		
Due to banks	(67,132)	(190,519)
Due to customers	(154,043)	(138,579)
Debt securities in issue and other borrowed funds	(30,476)	(17,757)
Derivative financial instruments	(154,967)	(105,605)
Other	(75,664)	(78,891)
<b>Total</b>	<b>(482,282)</b>	<b>(531,351)</b>
<b>Net interest income</b>	<b>1,521,702</b>	<b>1,694,255</b>

During the year 2018, net interest income decreased compared to the year 2017, mainly due to a) the reduction of interest income from loans derived from the increased impairment losses recognized both during 2017 and 2018 as well as directly in equity of 1.1.2018, following the transition to IFRS 9 and b) the reduction of interest income on investment portfolio securities. The aforementioned decrease in net interest income was partially offset by the reduction of the financing from Eurosystem and consequently of the relevant borrowing cost.

In addition to the reduction of the Eurosystem funding balance, on 5.6.2018, it was announced from ECB that the interest rate, applicable to the Bank's financing of € 3.1 billion from the second series of Targeted Longer Term Refinancing operations (TLTRO II) is set at -0.4% retrospectively from 29.6.2016 until its maturity. The positive effect from the retrospective application of the negative interest rate up to 5.6.2018 amounts to € 18,959 and is included in the caption "Due to banks".

The following table presents interest income and interest expense calculated using the effective interest rate method, by financial asset category:

	FROM 1 JANUARY TO	
	31.12.2018	31.12.2017
Financial assets measured at amortised cost	1,634,948	1,862,762
Financial assets measured at fair value through other comprehensive income (2017: securities available for sale)	130,959	190,105
Financial assets measured at fair value through profit or loss	15,215	304
<b>Total</b>	<b>1,781,122</b>	<b>2,053,171</b>
Financial liabilities measured at amortised cost	(251,651)	(346,855)

\* Certain figures of the previous year have been restated for comparability purposes.



### 3. Net fee and commission income

	FROM 1 JANUARY TO	
	31.12.2018	31.12.2017
<b>Net Fee and commission income</b>		
Loans	41,079	37,893
Letters of guarantee	48,894	55,891
Imports-exports	8,806	9,563
Credit cards	74,620	62,796
Fund Transfers	33,482	34,820
Mutual funds	26,660	30,304
Advisory fees and securities transaction fees	996	965
Brokerage services	135	179
Foreign exchange trades	18,003	18,654
Other	33,718	27,034
<b>Total</b>	<b>286,393</b>	<b>278,099</b>

During 2018, net fee and commission income presents an increase which is mainly attributed to a) the increase in commissions from credit cards resulting from the increased volume of transactions, b) the increase in commissions from the issuance of loans resulting from the increase in Bank's activities and c) the increase in commissions from banking insurance products resulting from higher volume of transactions. The aforementioned increase was partially offset by the decrease in commissions from letters of guarantee resulting from a decrease in the volume of business and the decrease in commissions from mutual funds mainly due to unfavorable market conditions.

The table below presents income from contracts per operating segment, that fall within the scope of IFRS 15:

FROM 1 JANUARY TO 31.12.2018						
	Retail Banking	Corporate Banking	Asset Management / Insurance	Investment Banking / Treasury	Other / Elimination Center	Total
<b>Fee and commission income</b>						
Loans	5,418	32,110	160	3,391		41,079
Letters of guarantee	2,113	46,067	5	709		48,894
Imports-exports	2,473	6,316		17		8,806
Credit cards	85,992	51,423	12	157		137,584
Fund Transfers	21,300	10,046	4	2,132		33,482
Mutual funds			26,660			26,660
Advisory fees and securities transaction fees				996		996
Brokerage services	135					135
Foreign exchange trades	13,470	4,531	2			18,003
Other	26,215	3,685	5,863	2		35,765
<b>Total</b>	<b>157,116</b>	<b>154,178</b>	<b>32,706</b>	<b>7,404</b>	<b>-</b>	<b>351,404</b>
<b>Other income</b>						
Disposals of fixed assets					1,304	1,304
Other	2,111	8		2,467	4,976	9,562
<b>Total</b>	<b>2,111</b>	<b>8</b>	<b>-</b>	<b>2,467</b>	<b>6,280</b>	<b>10,866</b>

"Other income" of Income Statement includes additional amounts, such as operating lease income and income from insurance indemnities, which are not presented in the above table since they do not fall within the scope of IFRS 15 (note 7).



#### 4. Dividend income

	FROM 1 JANUARY TO	
	31.12.2018	31.12.2017
Shares of investment portfolio measured at fair value through other comprehensive income	566	
Shares of trading portfolio	1	
Shares of investment portfolio measured at fair value through profit or loss	8	
Shares of available for sale portfolio		477
Subsidiaries and associates	61,838	35,161
<b>Total</b>	<b>62,413</b>	<b>35,638</b>

Dividend income of year 2018, is mainly attributed to € 26,000 by Alpha Group Ltd, € 12,396 by Alpha Bank London, € 8,000 by Alpha Credit Group Plc, € 6,732 from Alpha Life A.A.E.Z., € 4,426 by Alpha Asset Management AEDAK., € 3,004 by Alpha Real Estate Management and Investments S.A. and € 1,280 by Alpha Insurance Agents S.A.

Dividend income of the year 2017, is mainly attributed to € 15,777 by Alpha Group Ltd, € 4,290 by Ionian Holdings A.E. and € 4,426 by Alpha Asset Management AEDAK.

#### 5. Gains less losses on financial transactions and impairments on Group companies

	FROM 1 JANUARY TO	
	31.12.2018	31.12.2017
Foreign exchange differences	18,847	19,302
Trading securities:		
- Bonds	1,685	1,098
- Shares	1	175
Financial assets measured at fair value through profit or loss:		
- Loans	(51,226)	
- Shares	(23)	
- Other securities	(1,173)	
- Bonds	27,289	
Financial assets measured at fair value through other comprehensive income:		
- Bonds	475,510	
Available for sale and held to maturity securities:		
- Bonds		112,918
- Shares		(26,723)
- Other securities		963
Loans and receivables securities		3,058
Investments in subsidiaries, associates and joint ventures	(376,479)	(242,140)
Derivative financial instruments	10,764	74,319
Other financial instruments	(9,278)	(28,742)
<b>Total</b>	<b>95,917</b>	<b>(85,772)</b>

“Gains less losses on financial transactions and impairments on Group companies” of year 2018 were mainly affected by:

- Gain of € 475,510 included in the caption "Bonds" of financial assets measured at fair value through other comprehensive income that relates to gains from the sales of Greek Government Bonds and Greek T-bills amounting to € 466,699 and other corporate and government bonds amounting to € 8,811.



- Gain of €27,289 included in the caption "Bonds" of financial assets measured at fair value through profit or loss resulting from the change in their valuation during 2018.
- Loss of €51,226 from loans measured at fair value through profit or loss resulting from the change in their valuation during 2018, as well as from derecognition.
- Additionally, the caption "Investments in subsidiaries, associates and joint ventures" includes mainly impairment losses on subsidiaries and the related results from subsidiaries disposals/liquidations as described in note 21 and note 45.

"Gains less losses on financial transactions and impairments on Group companies" of the year 2017 were mainly affected by:

- Loss of €37,264 included in "Other financial instruments" arising from a fair value measurement, at the initial recognition, of the Bank's financial assets in the context of loans and receivables restructuring.
- Gain of €112,918 included in the caption "Bonds" of investment securities and corresponds to bonds issued by the Greek Government amounted to €91,618 and other corporate bonds amounted to €21,300. The gains from bonds issued by the Greek State include an amount of €26,680 that resulted from the Bank's participation to the Greek Government bonds swap, as presented in note 20.
- Gain of €58,546 included in "Derivative financial instruments" and corresponds to the credit valuation adjustment of transactions with the Greek Government due to the reduction of Greek Government's credit spread and guarantee's received.
- Impairment loss of €24,373 included in the caption "Shares" of investment securities.

Additionally, the caption "Investments in subsidiaries, associates and joint ventures" mainly includes impairment losses on subsidiaries and the related results from subsidiaries disposals/mergers.

## 6. Gains less losses on derecognition of financial assets measured at amortised cost

The table below presents gains less losses on derecognition of financial assets measured at amortised cost for the year 2018 as well as their carrying amount before derecognition.

	FROM 1 JANUARY TO 31.12.2018			
	Carrying Amount	(Losses) from derecognition	Gain from derecognition	Gains less losses on derecognition
Early repayments				
- Loans	712,400	(1,400)	1,733	333
Sales				
- Loans	616,732	(25,098)	30,857	5,759
- Securities				
Significant modifications				
- Loans	30,646	(3,702)	1,396	(2,306)
- Securities				
Debt to equity				
- Loans	87,128	(1,170)	2,099	929
<b>Total</b>	<b>1,446,906</b>	<b>(31,370)</b>	<b>36,085</b>	<b>4,715</b>

The caption "Early repayments" includes gains and losses recognized due to the recognition in the income statement of the unamortised amounts of commissions and expenses that were capitalised for loans that were early repaid.

The caption "Sales" includes loans which were sold during the year 2018. Part of these loans is described in detail in note 45.

The caption "Significant modifications" includes the carrying amount of loans which were derecognized during the year 2018 following the significant modification of their contractual terms, as well as gains and losses resulting from the difference arisen between the carrying amount of loans derecognised and in the fair value of the new loans recognized.





The caption “Debt to equity” includes loans for which the Bank in the context of renegotiation of their terms, participated in debt to equity agreements.

## 7. Other income

	FROM 1 JANUARY TO	
	31.12.2018	31.12.2017
Operating lease income	5,363	4,756
Sale of fixed assets	1,304	210
Insurance indemnities	13,313	310
Preparation of business plans and financial studies	2,623	1,519
Other	6,939	9,454
<b>Total</b>	<b>29,542</b>	<b>16,249</b>

Insurance indemnities of the current year includes income of € 13,000 which relates to prior year indemnities.

Other income of the prior fiscal year includes income of € 2,000 which relates to unused provisions to cover operational risk.

## 8. Staff costs

	FROM 1 JANUARY TO	
	31.12.2018	31.12.2017
Wages and salaries	251,970	260,698
Social security contributions	80,905	82,549
Employee defined benefit obligation (note 31)	216	426
Bank's employee indemnity provision due to retirement in accordance with Law 2112/1920 (note 31)	3,969	4,039
Other charges	32,157	28,088
<b>Total</b>	<b>369,217</b>	<b>375,800</b>

The total number of the Bank's employees as at 31.12.2018 was 7,816 (31.12.2017: 8,372) out of which 7,793 (31.12.2017: 8,341) are employed in Greece and 23 (31.12.2017: 31) are employed abroad.

Staff wages and salaries have been positively affected by the reduction of employees by 556, which was partially offset by the recognition of a provision for the performance incentives scheme to employees, amounting to € 9,450.

### Defined contribution plans

All the employees of the Bank are insured for their main pension plans by the Social Insurance Fund (IKA-ETAM). The Social Insurance Fund (IKA-ETAM) as of 1.1.2017 consists part of the Single Social Security Body (E.F.K.A.), Public law entity established under the provisions of Law 4387/2016. In addition for the Bank's employees, the following also apply:

**a.** The supplementary pension plan for employees of the former Ionian and Popular Bank of Greece is T.A.P.I.L.T.A.T., a multi-employer plan. The Bank has obtained legal opinions that indicate that it has no obligation if this fund does not have sufficient assets to pay employee benefits. Therefore, the Bank considers that the fund is a defined contribution plan and has accounted for it as such.

**b.** Employees of former Ionian and Popular Bank of Greece and former Emporiki Bank are insured for the lump sum benefit (Welfare Sector) in the “Bank Employee and Companies Common Benefit Plan” (T.A.Y.T.E.K.O.) which is a defined contribution plan with contributions paid only by employees. In accordance with article 74 of Law 4387/2016, the Care Sectors of the “Bank Employee and Companies Common Benefit Plan” (T.A.Y.T.E.K.O.) consist part of the “Joint Supplementary Insurance Fund” (E.T.E.A.) which is renamed to “Joint Supplementary Insurance Fund and Lump Sum Benefits” (E.T.E.A.E.P.).



c. All employees of the Bank receive medical benefits from the National Organization of Health Care (EOPYY) and either in the Care Sector of the former T.A.Y.T.E.K.O. or the former E.T.A.A, both of which have been incorporated into Single Social Security Body (E.F.K.A.) since 1.1.2017.

d. Employees of former Alpha Credit Bank, which were insured, for supplementary pension in T.A.P. (the Insurance Fund of employees of Alpha Credit Bank), from 1.1.2008, onwards are insured for supplementary pension in E.T.A.T according to article 10, Law 3620/2007. During the first quarter of 2017, the Bank settled its relevant obligation amounted to € 543 million, in 10 annual interest bearing installments.

According to the Law 3455/2006, the pensioners and members insured by Emporiki Bank, who were also insured for supplementary pension in T.E.A.P.E.T.E. were absorbed by I.K.A- E.T.E.A.M. and E.T.A.T on 31.12.2004. Emporiki Bank S.A. paid a total amount of specific contribution of € 786.6 million in ten annual interest bearing installments. The repayment of the total amount was completed with the payment of the last installment on January 2014.

When E.T.A.T. was absorbed by E.T.E.A. (Joint Supplementary Insurance Fund) and up to 31.12.2016, E.T.A.T. provided for the pre-pension amount based on the provisions of Article of Association of T.A.P. and T.E.A.P.E.T.E, as well as for the difference between the amount of pensions which arose from the calculation of supplementary pension in accordance with the provisions of Article of Association of E.T.E.A.E.P. (former E.T.E.A.M) and T.E.A.P.E.T.E.

Law 4387/2016 provides for the incorporation of both E.T.A.T. and the pre-retirement scheme pensioners of E.T.E.A. to E.F.K.A., as of 1.1.2017.

#### e. Savings Insurance Plans

i) The Bank, in cooperation with AXA Insurance, has created a savings plan. The plan's effective date is January 1, 2011 and its aim is to provide a lump sum monetary benefit to retiring employees. The plan assets consist of investment from the fixed monthly contributions of the Bank and its employees.

Initially the plan included Bank's personnel that were hired and insured for the first time on 1.1.1993 and onwards. After signing the Collective Labor Agreement for the 3-year period of 2016-2019, the personnel of the Bank may be included in the savings plan.

Except for a certain group that was hired by the Bank and were members of the main pension scheme for the period from 1.1.1993 until 31.12.2004 and for which guarantee of the minimum benefit (Law 2084/1992) is provided, for the rest of the Bank's personnel, the plan is considered as a defined contributions plan as the benefit is paid from the accumulated savings capital up to the date they left the Bank.

ii) Following the decision of General Assembly and Board of Directors, the Bank provides to its senior management a group Savings Insurance Plan effective from 1.1.2018. The plan is a defined contribution plan and aims to provide a lump-sum benefit upon retirement. The savings capital is consisted from the investment of defined monthly contributions paid by the senior management and the Bank.

The Bank's "Investment Committee for group insurance employee plans of Alpha Bank" is responsible for determining the appropriate structure of the portfolio of the aforementioned saving plans.

### Employee defined benefit obligations

An analysis of liabilities arising from defined benefit plans is included in note 31.

### Separation Scheme

The Bank committed to further reduce its Greek Personnel (including non-financial subsidiaries) in 2015, in accordance with the framework for implementation of the updated restructuring plan resulting in 9,504 maximum number of employees until 2017.

Following the above commitments, and relevant decisions for their implementation, on 31.12.2015 the Bank recorded a provision amounted to € 64,300.

During the fiscal years 2016 and 2017, provision amounted to € 35,262 and € 18,457 respectively was utilized (note 33).



Additionally, in the context of the three year Restructuring Plan concerning the period 2017-2019, the Bank through the facilitation of Key Restructuring Projects intends to the optimization of both efficiency and effectiveness of the operational functions, reduction of operational costs, digital transformation and in the exploitation of new solutions and infrastructures. Due to the need for reduction of personnel, as a result of the forthcoming restructuring and the necessary reallocation of roles and responsibilities, during the fourth quarter of 2017, it was decided to extend the separation scheme and consequently a new provision of € 92,719, was recognized, resulting in a total balance of € 103,300 as of 31.12.2017. In 2018, an amount of € 44,296 was utilised for the departure of 626 employees, resulting in a provision balance of € 59,004 (note 33) as of 31.12.2018. This provision also covers the choice of the long term paid leave for up to three years, which was used by 98 employees in 2018.

## 9. General administrative expenses

	FROM 1 JANUARY TO	
	31.12.2018	31.12.2017
Operating lease rentals for buildings	27,950	29,704
Rent and maintenance of EDP equipment	17,713	19,605
EDP expenses	19,439	23,271
Marketing and advertisement expenses	21,112	19,727
Telecommunications and postage	13,670	16,867
Third party fees	46,921	53,883
Consultants fees	7,668	7,360
Contribution to the Deposit Guarantee Fund - Investment fund and Resolution Scheme	51,530	46,881
Insurance	6,913	6,611
Consumables	4,010	3,529
Electricity	6,511	7,113
Taxes (VAT, real estate etc)	69,409	74,319
Services from collection agencies	14,782	31,578
Building and equipment maintenance	5,120	4,753
Security of buildings-money transfers	9,127	8,327
Cleaning	3,599	3,305
Commission for the amount of Deferred tax Asset guaranteed by the Greek State (note 13)	5,618	11,510
Other	102,164	92,616
<b>Total</b>	<b>433,256</b>	<b>460,959</b>

General administrative expenses present a decrease in 2018 compared to the previous year, mainly due to (a) the fact that the comparative year was burdened with the amount of € 5,784, relating to the annual commission on the amount of deferred tax asset guaranteed by the Greek State for the year 2016 that was accounted for in 2017, along with the relevant commission for the year 2017, since according to the provisions of article 82 of Law 4472/19.5.2017, the payment of the commission is made within six months from the end of each tax year, with first application on 30.6.2017, (b) the reduction of certain collection costs which under IFRS 9 adjust the carrying amount of the relevant loans and are amortised over their remaining life using the effective interest rate method and c) the reduction of rents and EDP expenses, due to the improvement of IT infrastructure, as a result of cost savings. The above reductions were partially offset by the increase of the contribution to the Hellenic Deposit and Investment Guarantee Fund, as a result of the increase of the Bank's share in the calculation of the total annual contributions attributable to the Hellenic Deposit and Investment Guarantee Fund, by the participating Banks, for the repayment of liabilities to Resolution Scheme that were recognised from the date that Law 4021/2011 (A'2018) came into force up to the date of the enforcement of Law 4335/2015 (A'87).



## 10. Other expenses

	FROM 1 JANUARY TO	
	31.12.2018	31.12.2017
Losses from write-off/impairments on fixed assets	23,864	42,427
Provisions	4,468	9,794
Other	299	(21,301)
<b>Total</b>	<b>28,631</b>	<b>30,920</b>

The caption "Losses from write off / impairments on fixed assets" as at 31.12.2018 includes an amount of € 23,220 (31.12.2017: € 40,678) which relates to the recognition of impairment loss of investment property, property, plant and equipment, property obtained through auctions as well as assets that are classified as "Assets held for Sale". The aforementioned impairment losses are included in the operating segment "Other/Elimination center" of note 39 "Operating segments".

Provisions relate to legal cases against the Bank (note 33).

The caption "Other" as at 31.12.2017 relates to revenue from unused provisions.

## 11. Impairment losses and provisions to cover credit risk on loans and advances to customers

The caption "Impairment losses and provisions to cover credit risk" amounting to € 1,478,683 for the fiscal year 2018 and € 798,036 for the fiscal year 2017, includes the impairment losses and provisions to cover credit risk on loans and advances to customers, which are presented in the table below, along with the impairment losses on other financial instruments, as presented in note 12.

	FROM 1 JANUARY TO	
	31.12.2018	31.12.2017
Impairment losses on loans	1,425,491	809,892
Impairment losses of receivables from customers	14,535	
Provisions to cover credit risk on off balance sheet items (note 33)	(20,801)	4,424
(Gains)/Losses on modifications of contractual terms of loans and advances to customers	84,248	
Recoveries	(20,925)	(16,280)
Impairment losses of other assets	1,846	
<b>Total</b>	<b>1,484,394</b>	<b>798,036</b>

In contrary to IAS 39, under which the Bank recognized incurred credit losses, IFRS 9, implemented from 1.1.2018, requires the recognition of expected credit losses. As a result, the above figures for years 2017 and 2018 are not comparable.

For the year 2018, Impairment losses and provisions to cover credit risk amounted to € 1,484,394 and included the following:

- Impairment losses on loans and provision to cover credit risk relating to off balance sheet items, which resulted from the impairment assessment exercises that the Bank performs on a quarterly basis. The methodology for the calculation of the expected credit losses as well as explanation regarding of how significant changes in the gross carrying amount contribute to the change in the expected credit losses and impairment losses of the year, are described in note 40.1.
- Impairment losses which related to advances to customers for which the Bank applies the simplified approach for the calculation of expected credit loss, as provided by IFRS 9.
- Last, losses on modification of contractual terms of loans and advances to customers, which relate to cases for which the expected change in contractual cash flows is not substantial and does not result in a derecognition, the carrying amount of the loan will be adjusted to reflect the present value of the modified cash flows discounted with the original effective interest rate.

**(Gains)/Losses on modifications of contractual terms of loans and advances to customers**

The Bank, in the context of renegotiation with borrowers and restructurings, proceeds with the modification of the contractual cash flows of the loans in order to ensure their repayment.

The following table presents Loans and Advances to customers modified (which were not derecognised) during the year while life time expected credit losses were recognized.

	<b>FROM 1 JANUARY TO 31.12.2018</b>
Net carrying amount before modification	8,069,806
Net modification gain/(loss) recognised	(78,291)

The following table presents the carrying amount of Loans and Advances to customers modified since initial recognition at a time they had a life time expected credit loss and for which the allowance is measured based on 12-month expected credit risk losses at the end of the year.

	<b>31.12.2018</b>
Gross carrying amount at the end of the year	1,995,355

**12. Impairment losses on other financial instruments**

	<b>FROM 1 JANUARY TO 31.12.2018</b>	<b>31.12.2017</b>
Impairment losses on debt securities and other securities measured at fair value through other comprehensive income	3,651	
Impairment losses on due from banks	(9,362)	
<b>Total</b>	<b>(5,711)</b>	<b>-</b>

During the transition to IFRS 9, the Bank has recognized in retained earnings impairment losses of:

- € 88,268 for debt securities that are measured at fair value through other comprehensive income and
- € 14,674 for due from banks, resulting in accumulated impairment of € 84,635.

Impairment losses on debt securities for the year 2018 were positively affected by the upgrade of the Greek Government credit rating, despite the increase of the Bank's placements, resulting in the recognition of new impairment losses (note 40.1).

Regarding due from banks a decrease in impairment losses is noted within 2018 due to improvement in the credit risk parameters on transactions with subsidiaries of the Group as counterparties.

**13. Income tax**

In accordance with Article 1 par. 4 of Law 4334/2015 "Urgent prerequisites for the negotiation and conclusion of an agreement with the European Stability Mechanism (ESM)" the corporate income tax rate for legal entities increased from 26% to 29%. The increased rate apply for profits arising in fiscal years commencing on or after 1 January 2015.

Based on Article 23 of Law 4579/2018 "Obligations of air carriers concerning passenger records-adaptation of legislation to Directive (EU) 2016/681 and other provisions" which amends article 58 of the Income Tax Code, the corporate income tax rate for legal entities will be gradually reduced from 29% effective today, to 25% for income earned in the tax year 2022 and onwards. The tax rate will be reduced by one percent each year, effective from the tax year 2019, for which the tax rate is set at 28%. With explicit reference to the law, this reduction does not apply to credit institutions for which the tax rate remains at 29%.



In accordance with article 65A of Law 4174/2013, from 2011, the statutory auditors and audit firms conducting statutory audits to a Societe Anonyme, are obliged to issue an Annual Tax Certificate on the compliance on tax issues. This tax certificate is submitted to the entity being audited until the submission of income tax return and the latest within the first 10 days of the 10th month after the end of the audited financial year, as well as, electronically to the Ministry of Finance, no later than the end of the 10th month after the end of the audited financial year. In accordance with article 56 of Law 4410/3.8.2016 for the fiscal years from 1.1.2016 onwards, the issuance of tax certificate is rendered optional. However, the Bank decided to continue to receive the tax certificate.

The Bank has been audited by the tax authorities up to and including 2010 (note 38b).

For the fiscal years 2011 up to 2017, the tax audit based on article 65A of Law 4174/2013 has been completed and the Bank has received the relevant tax certificates without any qualifications on the tax issues covered, while for the fiscal year 2018 the tax audit is in progress.

The income tax is analysed as follows:

	FROM 1 JANUARY TO	
	31.12.2018	31.12.2017
Tax audit difference and other provisions	52,630	15,638
Deferred tax	(503,455)	46,292
<b>Total</b>	<b>(450,825)</b>	<b>61,930</b>

Deferred tax recognized in the income statement is attributable to temporary differences, the effect of which is analysed in the table below:

	FROM 1 JANUARY TO	
	31.12.2018	31.12.2017
Debit difference of Law 4046/2012	44,555	44,554
Debit difference of Law 4465/2017	(692,028)	1,685
Write-offs, depreciation and impairments of fixed assets	8,863	2,148
Loan portfolio	129,835	(23,454)
Valuation of loans due to hedging	(80)	(209)
Valuation of derivatives	4,738	29,335
Defined benefit obligation and insurance funds	1,361	19,508
Effective interest rate	799	1,145
Valuation of liabilities to credit institutions and other borrowed funds due to fair value hedge	(3,842)	(39,705)
Valuation/Impairment of investments	(227,109)	(22,290)
Valuation/Impairment of bonds and other securities	87,465	(57,589)
Tax losses carried forward	140,954	126,148
Other temporary differences	1,034	(34,984)
<b>Total</b>	<b>(503,455)</b>	<b>46,292</b>

Caption "Debit difference of Law 4046/2012" relates to the deferred tax asset on tax losses, due to the Bank's participation in the Greek government bonds exchange program (PSI) and the Greek government bond buyback program on December 2012, which have been recognized as a debit difference in accordance with Law 4046/14.2.2012 and Law 4110/23.1.2013. According to Law 4110/23.1.2013 this "debit difference" is tax deductible, gradually in equal installments, within 30 years.

Moreover, according to article 5 of Law 4303/17.10.2014 "Ratification of the Legislative Act Emergency legislation to replenish the General Secretary of Revenue upon early termination of office (A 136) and other provisions», which replaced article 27A of Law 4172/2013, deferred tax assets of legal entities supervised by the Bank of Greece, under article 26 paragraphs 5, 6 and 7 of Law 4172/2013 that have been or will be recognized and are due to the debit difference arising from the PSI and the accumulated provisions and other general losses due to credit risk, with respect to existing amounts up to 31.12.2014, are converted into final and settled claims against the State, if, the accounting result for the period,



after taxes, is a loss, according to the audited and approved financial statements by the Ordinary Shareholders' General Meeting.

The inclusion in the Law is implemented with the approval of the General Meeting of Shareholders and relates to tax assets arising from 2016 and onwards, relating to fiscal year 2015 whereas it is envisaged the end of inclusion in the Law with the same procedure and after obtaining relevant approval from the Regulatory Authority.

According to article 4 of Law 4340/1.11.2015 "Recapitalization of financial institutions and other provisions of the Ministry of Finance" the above were amended regarding the time of the application which is postponed for a year. In addition the amount of the relevant deferred tax asset which is included in the above provisions of article 5 of Law 4303/17.10.2014 and relates to accumulated provisions and other general losses due to credit risk, is limited to the amount related to the provisions for credit risk, which were accounted until 30.6.2015.

In connection with the amount included in caption "Debit difference of Law 4465/2017", according to article 43 of Law 4465/4.4.2017 "Integration of Directive 2014/92/EU of the European Parliament and Council held on 23.7.2014 for the comparability of charges related to payment accounts, the change of payment account and the access to payment accounts with basic characteristics and other provisions", the articles 27 and 27A of the Income Tax Code were amended (Law 4172/2013). According to the new legislation, the debit difference relating to the loss, that will arise from the write-off of debtors' debts and the loss from the sale of loans of the legal entities supervised by the Bank of Greece, is recognised as a deduction from gross income and is amortized equally over a period of 20 years. The deferred tax asset which will be recognized from the abovementioned debit difference as well as of any accounting write-offs of loans or credits, not converted into debit difference until the end of the year when the accounting write-off took place, are converted into a final and settled claim against the Government, based on the abovementioned terms and conditions.

Based on the above mentioned Law, the total amount of deferred tax asset from (a) the debit difference from the write-off of debtors' debts and the sale of loans, (b) the temporary differences from any accounting write-off of loans and credits and (c) the temporary differences from accumulated provisions and other losses due to credit risk, is limited to the total tax amount related to accumulated provisions and other losses due to credit risk, recognised until 30.6.2015.

This amendment ensures that the loan write-offs and disposals, aiming to decrease the non performing loans, will not result in the loss of regulatory capital.

The above apply from 1.1.2016.

On 31.12.2018, the amount of deferred tax assets which is estimated to be within the scope of the Law 4465/2017, as well as the unamortised balance of the debit difference of PSI amounts to € 3,240.6 million (31.12.2017: € 3,296 million)

According to article 82 of Law 4472/19.5.2017 "Public Pension Provisions and amendment of provisions of Law 4387/2016, measures for the implementation of budgetary targets and reforms, social support measures and labor regulations, Medium term Fiscal Strategy Framework 2018-2021 and other provisions" credit institutions and other entities that fall under the provisions of article 27A of Law 4172/2013, are required to pay an annual commission to the Greek State for the amount of the guaranteed deferred tax asset that results from the difference between the tax rate currently in force (29%) and the tax rate that was in force until 31.12.2014 (26%). The respective amount has been included in caption "General administrative expenses" (note 9).

The Bank, taking into account the provisions of Law 4465/2017 and the interpretative circular of AADE (DEAF B1049915/28.3.2018), according to which, in case of recognition of debit difference, there is obligation to reverse only any recognized specific provision for individual loans, and based on its Business Plan, reassessed the temporary differences between the accounting and tax base of loans and advances to customers as at 31.12.2018 and recognised an additional deferred tax asset of € 290,000.

In addition, the Bank in the context of an internal reorganization of the Group's structure, classified as "Assets held for sale" on 31.12.2018 subsidiaries of total carrying amount of € 868,142, as described in detail in note 45. For these companies an amount of € 179,942 of deferred tax asset, calculated on the total difference between the accounting and tax base, was recognized in Income Statement.



A reconciliation between the effective and nominal tax rate is provided below:

	FROM 1 JANUARY TO			
		31.12.2018		31.12.2017
	%		%	
<b>Profit/(loss) before income tax</b>		<b>(387,421)</b>		<b>105,825</b>
Income tax (nominal tax rate)	29	(112,352)	29	30,689
<b>Increase/(decrease) due to:</b>				
Non taxable income	5.10	(19,773)	(18.30)	(19,361)
Non deductible expenses	(0.49)	1,906	3.02	3,201
Tax audit difference			14.78	15,638
Tax recognition of previous years temporary differences	26.27	(101,762)		
Impact from the reassessment of the tax base of loans portfolio	74.85	(290,000)		
Other provisions	(13.58)	52,630		
Other temporary differences	(4.78)	18,526	30.01	31,763
<b>Income tax</b>	<b>116.37</b>	<b>(450,825)</b>	<b>58.52</b>	<b>61,930</b>

### Income tax of other comprehensive income recognized directly in equity

	FROM 1 JANUARY TO					
	31.12.2018			31.12.2017		
	Before Income tax	Income tax	After Income tax	Before Income tax	Income tax	After Income tax
<b>Amounts that may be reclassified to the Income Statement</b>						
Net change in securities' reserve measured at fair value through other comprehensive income	(495,131)	143,588	(351,543)			
Net change in available for sale securities' reserve				459,969	(133,210)	326,759
Net change in cash flow hedge reserve	(2,350)	681	(1,669)	53,361	(15,475)	37,886
	<b>(497,481)</b>	<b>144,269</b>	<b>(353,212)</b>	<b>513,330</b>	<b>(148,685)</b>	<b>364,645</b>
<b>Amounts that will not be reclassified to the Income Statement</b>						
Net change in actuarial gains/(losses) of defined benefit obligations	1,123	(326)	797	133	(39)	94
Gains/(Losses) from shares measured at fair value through other comprehensive income	(2,577)	748	(1,829)			
	<b>(1,454)</b>	<b>422</b>	<b>(1,032)</b>	<b>133</b>	<b>(39)</b>	<b>94</b>
<b>Total</b>	<b>(498,935)</b>	<b>144,691</b>	<b>(354,244)</b>	<b>513,463</b>	<b>(148,724)</b>	<b>364,739</b>

On 1.1.2018 a credit deferred tax amounting to € 452,296 was recognized in the caption "Retained Earnings" and a debit deferred tax amounting to € 42,974 was recognized in the caption "Reserves", as a result of the implementation of IFRS 9 (note 41).

As at 31.12.2018, the Bank has not recognized deferred tax asset on temporary differences between the accounting and tax base of investments in subsidiaries, associates and joint ventures of amount € 294,314 as they are not expected to be sold in the foreseeable future.

Finally, pursuant to the provisions of Law 2238/1994, as in force until 2012, interest income from T-bills and Greek Government bonds, as well as interest from corporate bonds issued by Greek companies, was taxed under a special regime subject to withholding. Furthermore, the above income was included in the total taxable income of credit institutions and





was taxed at the applicable tax rate, in force, while the withholding tax was offset against the corporate income tax. Based on prior decisions of the Hellenic Council of State (Council of State 1463/2014, Council of State 1833/2015) it has been decided that, in the absence of an explicit provision, any credit balance resulting from the above offsetting should be refunded from the Greek State. Additionally, article 3§6 of Law 4046/2012 provided that "The credit balance resulting from the income tax returns of the banks, irrespective of the legal form operating in Greece, for the financial year 2011 and afterwards, in so far as it is due to a tax deducted on interest from bonds or treasury bills of Greek Government and bonds of Greek companies, with the Greek State's guarantee, is offset against income tax successively in the next five (5) years from the creation of the credit balance, according to the remaining balance". In October 2018, the Hellenic Council of State issued its decision No.1526/2018, which is in contrast with the case Law of the same court rendered on similar cases (Council of State 1463/2014, Council of State 1833/2015). Based on this decision, the Hellenic Council of State accepted the arguments of tax authority and cancelled the decision No 1253/2015 of the Administrative Court of Appeal of Athens, based on which an amount of €21,302 concerning former Emporiki Bank's (which has already been merged through absorption by the Bank) withholding taxes on interest from bonds and treasury bills for the year 2008, was refunded. The above mentioned decision No.1526/2018 of Hellenic Council of State interpreted the Greek Tax Law applicable for the year 2008, concluding that such withholding taxes are allowed to be offset only against the banks' annual corporate income tax, and any excess part "is not refundable but remains to be deducted at the time of distribution of profits that correspond to the income taxed under special regime, as also remains to be deducted for the same distribution time the aggregated withholding tax in case of loss". The Hellenic Council of State decision does not make any judgment regarding the amounts that have been incurred pursuant to article 3§6 of Law 4046/2012.

In addition to the amount mentioned above, the Bank's receivables from the Greek State, affected by the above mentioned decision No.1526/2018, amounted to € 63,854, of which an amount of €11,816 has already been returned as a result of prior court decisions.

In addition to the above, a receivable from the Greek State amounting to € 47,106 regarding withholding tax on interest from Greek Government bonds and corporate bonds guaranteed by the Greek State for fiscal years up to 2012, pursuant to the provisions of article 3§6 of law 4046/2012.

The Bank has appealed against the Greek State in the European Court of Human Rights invoking violation of Article 1 of Protocol 1 (Protection of Property) of the European Convention of Human Rights and estimates, following relevant legal opinion, that the appeal will be in favor of the Bank. According to the assessment of the Legal Department, a positive decision in favor of the Bank will also be res judicata for the other disputed cases for the refunding of withholding taxes, including the credit balances under the provisions of Law 4046/2012.

On 27.3.2019 an amendment to the draft law "Alignment of Greek legislation with the European Parliament and Council Directive (EU) 2016/943 of 8.6.2016 on the protection of undisclosed know-how and business information (trade secrets) against their unlawful acquisition, use and disclosure (EEL 157, 15.6.2016). Measures for accelerating the work of the Ministry of Economy and other provisions " was submitted. Based on this amendment:

- The credit balances of fiscal years 2008 and 2010 up to 2012 that arose from withholding taxes on specially taxed income are transferred and will be offset at the time when income tax is incurred and in proportion to that tax. This set-off procedure also includes any amounts refunded by virtue of court decisions, for which the obligation to return them to the Greek State is borne at the time and proportionally to the amount of the income tax recognized.
- The credit balances that arose under Law 4046/2012 and have not been offset after the end of the five-years period from their recognition, will be offset starting from 1.1.2020 in ten equal annual installments with any tax liability of the banks.

Following the ratification of the draft law (including the above mentioned amendment), the amounts of withholding taxes affected by the decisions of the Hellenic Council of State will be subject to the offset procedure as described above.



## 14. Earnings/(losses) per share

### a. Basic

Basic earnings/(losses) per share are calculated by dividing the net profit/(losses) after income tax for the year attributable to ordinary equity owners of the Bank, by the weighted average number of outstanding ordinary shares, after deducting the weighted average number of treasury shares held by the Bank, during the period.

### b. Diluted

Diluted earnings/(losses) per share are calculated by adjusting the weighted average number of ordinary shares outstanding during the period, to the presumed conversion amount of all dilutive potential ordinary shares. The Bank does not have such shares, consequently the basic and dilutive earnings/(losses) per share should not differ.

	FROM 1 JANUARY TO	
	31.12.2018	31.12.2017
<b>Profit/(losses) attributable to ordinary equity owners of the Bank</b>	<b>63,404</b>	<b>43,895</b>
Weighted average number of outstanding ordinary shares	1,543,699,381	1,542,690,664
Basic and diluted earnings/(losses) per share (in €)	0.04	0.03

On 23.2.2017, as a result of exercising the conversion right of all bondholders, the Bank increased its share capital, due to the conversion of the convertible bond that was issued on 1.2.2013, under the agreement with Credit Agricole SA for the acquisition of former Emporiki Bank.

From the conversion, 6,818,181 new common shares were issued representing 0.44% of total shares, which were taken under consideration for the calculation of the weighted average number of outstanding ordinary shares of the period 1.1 - 31.12.2017.



## ASSETS

## 15. Cash and balances with Central Banks

	31.12.2018	31.12.2017
Cash	311,140	305,100
Cheques receivables	7,329	2,548
Balances with Central Banks	401,490	467,234
<b>Total</b>	<b>719,959</b>	<b>774,882</b>
Less: Deposits pledged to Central Banks	(393,411)	(312,991)
<b>Balance</b>	<b>326,548</b>	<b>461,891</b>

The Bank is required to maintain a current account with the Bank of Greece (Central Bank) in order to facilitate interbank transactions with the Central Bank and other financial institutions through the Trans European – Automated Real Time Gross Settlement Express Transfer System (TARGET).

The Bank of Greece also requires, that all financial institutions established in Greece maintain reserve deposits with the Central Bank equal to 1% of customer deposits.

These deposits are interest bearing based on the refinancing rate set by the European Central Bank. On 31.12.2018 the above mentioned interest rate was 0% (31.12.2017: 0%).

## Cash and cash equivalents (as presented in the Statement of Cash Flows)

	31.12.2018	31.12.2017
Cash and balances with central banks	326,548	461,891
Sales and repurchase agreements (Reverse Repos)	498,901	39,654
Short-term placements with other banks	177,274	128,526
<b>Total</b>	<b>1,002,723</b>	<b>630,071</b>

## 16. Due from banks

	31.12.2018	31.12.2017
Placements with other banks	1,104,660	1,269,838
Guarantees for derivative securities coverage and repurchase agreement (note 38e)	1,059,932	947,939
Sale and repurchase agreements (Reverse Repos)	498,901	39,654
Loans to credit institutions	36,966	12,321
Less:		
Allowance for impairment losses (note 40.1)	(75,273)	(41,961)
<b>Total</b>	<b>2,625,186</b>	<b>2,227,791</b>

The increase in Due from banks is mainly attributed to Reverse Repos, through which Eurozone securities were assigned to the Bank and were used as collaterals for the targeted refinancing operation from ECB (TLTRO).



## 17. Trading securities

The following table presents an analysis of the carrying amount of trading portfolio per type of security.

	31.12.2018	31.12.2017
Bonds		
- Greek Government	6,669	5,969
Shares		
- Listed	146	575
<b>Total</b>	<b>6,815</b>	<b>6,544</b>

## 18. Derivative financial instruments (assets and liabilities)

	31.12.2018		
	Contractual Nominal Amount	Fair Value	
		Assets	Liabilities
<b>Derivatives held for trading purposes</b>			
<b>a. Foreign exchange derivatives</b>			
Foreign exchange forwards	339,591	5,610	4,082
Foreign exchange swaps	1,642,394	9,808	9,565
Cross currency swaps	1,852,853	77,926	59,835
Currency options	81,928	1,573	1,568
Currency options embedded in customer products	365	1	135
<b>Total non-listed</b>	<b>3,917,131</b>	<b>94,918</b>	<b>75,185</b>
<b>b. Interest rate derivatives</b>			
Interest rate swaps	10,788,203	580,644	687,386
Interest rate options (caps and floors)	275,758	10,987	3,601
<b>Total non-listed</b>	<b>11,063,961</b>	<b>591,631</b>	<b>690,987</b>
<b>c. Commodity derivatives</b>			
Commodity swaps	55,633	8,002	7,702
Commodity forwards	1,644	68	67
Commodity options	639	70	7
Commodity options embedded in customer products	204		62
<b>Total non-listed</b>	<b>58,120</b>	<b>8,140</b>	<b>7,838</b>
<b>d. Index derivatives</b>			
OTC options	177,000	14,565	
<b>Total non-listed</b>	<b>177,000</b>	<b>14,565</b>	<b>-</b>
<b>e. Credit derivatives</b>			
Total return swap	98,533	1,208	
<b>Total non-listed</b>	<b>98,533</b>	<b>1,208</b>	<b>-</b>
<b>f. Other derivatives</b>			
GDP linked security	1,216,609	3,528	
<b>Total listed</b>	<b>1,216,609</b>	<b>3,528</b>	<b>-</b>
<b>Derivatives for hedging purposes</b>			
<b>a. Foreign exchange derivatives</b>			
Foreign exchange swaps	213,715	300	600
<b>Total non-listed</b>	<b>213,715</b>	<b>300</b>	<b>600</b>
<b>b. Interest rate derivatives</b>			
Interest rate swaps	2,073,286	15,925	374,903
<b>Total non-listed</b>	<b>2,073,286</b>	<b>15,925</b>	<b>374,903</b>
<b>Grand Total</b>	<b>18,818,355</b>	<b>730,215</b>	<b>1,149,513</b>



In the context of the daily process for setting off and providing collateral for derivatives with credit institutions counterparties the Bank has pledged as collateral the net amount of € 967,061 (31.12.2017: € 879,111) out of which a received net amount of € 1,350 relates to transactions with Group subsidiaries while as at 31.12.2017 the respective amount paid was € 6,940. As at 31.12.2018, the respective net fair value of derivatives with credit institutions amounted to € 917,097 (31.12.2017: € 828,899).

	31.12.2017		
	Contractual Nominal Amount	Fair Value	
		Assets	Liabilities
<b>Derivatives held for trading purposes</b>			
<b>a. Foreign Exchange Derivatives</b>			
Foreign exchange forwards	259,457	5,792	1,000
Foreign exchange swaps	1,657,298	4,036	12,680
Cross currency swaps	2,141,498	109,270	45,417
Currency options	73,174	1,486	723
Currency options embedded in customer products	2,950	18	180
<b>Total non-listed</b>	<b>4,134,377</b>	<b>120,602</b>	<b>60,000</b>
<b>b. Interest rate derivatives</b>			
Interest rate swaps	6,314,828	462,413	588,643
Interest rate options (caps and floors)	217,911	11,098	3,692
<b>Total non-listed</b>	<b>6,532,739</b>	<b>473,511</b>	<b>592,335</b>
<b>c. Commodity derivatives</b>			
Commodity swaps	88,143	6,523	6,022
Commodity options	715	81	81
<b>Total non-listed</b>	<b>88,858</b>	<b>6,604</b>	<b>6,103</b>
<b>d. Index derivatives</b>			
OTC options	177,265	14,815	3
<b>Total non-listed</b>	<b>177,265</b>	<b>14,815</b>	<b>3</b>
<b>e. Credit derivatives</b>			
Total return swap	59,349	4,601	
<b>Total non-listed</b>	<b>59,349</b>	<b>4,601</b>	<b>-</b>
<b>f. Other derivatives</b>			
GDP linked security	1,492,397	7,462	
<b>Total listed</b>	<b>1,492,397</b>	<b>7,462</b>	<b>-</b>
<b>Derivatives for hedging purposes</b>			
<b>a. Foreign Exchange Derivatives</b>			
Foreign Exchange swaps	23,725		24
<b>Total non-listed</b>	<b>23,725</b>	<b>-</b>	<b>24</b>
<b>b. Interest rate derivatives</b>			
Interest rate swaps	1,129,225	538	378,709
<b>Total non-listed</b>	<b>1,129,225</b>	<b>538</b>	<b>378,709</b>
<b>Grand total</b>	<b>13,637,935</b>	<b>628,133</b>	<b>1,037,174</b>



## Hedging accounting

### a. Fair value hedges

The Bank uses interest rate swaps to hedge volatility in the fair value due to changes in market rates a) of the covered bond issued in January 2018 b) of part of the targeted refinancing operation from ECB (TLTRO) and c) of fixed rate loan. The Bank also uses foreign exchange swaps to hedge volatility in the fair value of its investments in subsidiaries due to changes in exchange rates.

For all hedges of interest rate risk, the Bank determines the referenced interest rate associated with the hedged risk (Euro rate) at inception of the hedging relationship and calculates the changes in the fair value of the hedging instrument with respect to euro interest rate curve. For the hedge of the investments in subsidiaries foreign currency risk, the foreign risk is determined by the changes in foreign currency exchange rate of the investment, against Euro. More specifically, investments are valued at the current exchange rate and the exchange differences that arise from the commencement of the hedging relationship are compared with the exchange differences of the derivative.

In order to measure hedge effectiveness, the changes in the fair value of the hedged item are compared to the changes in the fair value of the hedging instrument and in order for the hedge to qualify as effective, the ratio of the change in the fair value of the hedging instrument over the change in the fair value of the hedged item is required to be within 80% -125% (dollar offset method).

The Bank has identified the following sources which may lead to hedging ineffectiveness:

- a) The credit risk (counterparty risk) of the hedging instruments used to hedge the interest rate or the currency risk, which is minimized by entering into derivatives with high credit quality counterparties and
- b) the difference in the timing of settlement of hedging instruments and hedged items.

No other sources of ineffectiveness were identified during the year.

The hedging instruments as at 31.12.2018 are summarized as follows:

Risk category	Duration
	1-5 years
<b>Interest rate risk</b>	
<b>Covered bond issued by the bank</b>	
Nominal amount of the derivative	500,000
Average fixed interest	0.41%
<b>Targeted long-term refinancing operations from ECB (TLTRO)</b>	
Nominal amount of the derivative	1,000,000
Average fixed interest	0.02%
<b>Corporate loan</b>	
Nominal amount of the derivative	23,286
Average fixed interest	0.02%
<b>Foreign currency risk</b>	
<b>Investment in Alpha Bank London</b>	
Nominal amount of the derivative	54,383
Foreign Exchange rate	0.90
<b>Investment in Alpha Bank Romania</b>	
Nominal amount of the derivative	159,332
Foreign Exchange rate	4.67



The balance sheet and the income statement amounts relating to items designated as fair value hedging instruments and the hedge effectiveness are analyzed as follows:

2018							
Hedging relationship	Derivative category	Carrying amount of hedging instrument		Line item in the balance sheet where the hedging instrument is included	Change in fair value of hedging instrument used for calculating the hedge effectiveness for 2018	Ineffectiveness recognised in the income statement for 2018	Line item in the Income statement that included hedge ineffectiveness
		Assets	Liabilities				
<b>Interest rate risk</b>							
Covered bond issued by the Bank	Interest rate swap	10,447		Derivatives	8,331	23	Gains less losses on financial transactions and impairments on Group companies
Targeted long-term refinancing operations ECB (TLTRO)		5,478			4,791	260	
Corporate loan			85		(68)		
<b>Foreign currency risk</b>							
Investment in Alpha Bank London in GBP	Foreign exchange swap		243	Derivatives	478		Gains less losses on financial transactions and impairments on Group companies
Investment in Alpha Bank Romania in RON		300	357		(171)		

The amounts related to balance sheet items designated as hedged items are analyzed as follows:

2018						
Hedging relationship	Carrying Amount		Accumulated amount of fair value hedge adjustments on the hedged item		Line item in the balance sheet where the hedged item is included	Change in fair value of hedged item used for calculating the hedge effectiveness
	Assets	Liabilities	Assets	Liabilities		
<b>Interest rate risk</b>						
Covered bond issued by the Bank		511,843		8,308	Debt securities in issue and other borrowed funds	(8,308)
Targeted long-term refinancing operations ECB (TLTRO)		994,848		5,026	Due to banks	(4,531)
Corporate loan	23,980		68		Loans and advances to customers	68
<b>Foreign currency risk</b>						
Investment in Alpha Bank London in GBP	54,777		1,455		Investments in subsidiaries, associates and joint ventures	(478)
Investment in Alpha Bank Romania in RON	159,660		(21,948)		Investments in subsidiaries, associates and joint ventures	171

**b. Cash flow hedges**

The Bank uses interest rate swaps to hedge the volatility attributed to its funding through a group of term deposits in Euro. The Bank determines the referenced interest rate associated with the hedged risk (Euro rate) at inception of the hedging relationship and measures the changes in the fair value of the hedging instrument and a hypothetical derivative relating to Euro interest rate curve changes.

The floating leg of the hypothetical derivative replicates the cash flows of the hedged item, whereas the fixed leg cash flows are determined so that the hypothetical derivative has a value equal to zero at inception. In order to measure the effectiveness of the hedge, the changes of the hypothetical derivative are compared to the changes of the hedged item, and in order for the hedge to qualify as effective the ratio of the change in the fair value of the hypothetical derivative over the change in the fair values of the hedged item should be between 80% - 125% (dollar offset method).

The Bank has identified the following sources that may lead to ineffective hedging:

- c) The credit risk (counterparty risk) of the hedging instruments used to hedge the interest rate which is minimized by entering into derivatives with high credit quality counterparties and
- d) the difference in the timing of settlement of hedging instruments and hedged items.

No other sources of ineffectiveness were identified during the year.

The hedging instruments as at 31.12.2018 are summarized as follows:

	<b>Duration</b>
<b>Risk category</b>	<b>Greater than 5 years</b>
<b>Interest rate risk</b>	
<b>Floating financing from term deposits and their renewals</b>	
Nominal amount of the derivative	550,000
Average fixed interest	2.32%

The balance sheet and the income statement amounts relating to items designated as cash flow hedging instruments and hedge effectiveness are analyzed as follows:





2018											
Hedging relationship	Type of derivative	Carrying amount of hedging instrument		Change in fair value of hedging instrument used for calculating hedge effectiveness for the year 2018	Change in the fair value of the hedging instrument recognized in the cash flow hedge reserve for the year 2018	Change in the fair value of the hedging instrument recognized in the income statement for the year 2018	Line item in the income statement category affected by the reclassification	Ineffectiveness recognised in the income statement for the year 2018	Line item in the income statement that includes hedge ineffectiveness	Amount reclassified from the cash flow hedge reserve to the income statement in 2018 from hedging relationship that have been terminated	Line item in the income statement affected by hedging relationships that have been terminated
		Assets	Liabilities								
Interest rate risk											
Term deposits and renewals	Interest rate swap		374,818	(26,482)	(7,832)	(18,505)	Net interest income	(1,44)	Gains less losses on financial transactions and impairments on Group companies	(5,482)	Net interest income



Amounts recognized in the cash flow hedge reserve are analyzed as follows:

31.12.2018				
	Line item in the balance sheet where the hedged item is included	Cash flow hedge reserve (before tax) from existing hedging relationships	Cash flow hedge reserve (before tax) from discontinued hedging relationships	Cash flow hedge reserve (before tax)
<b>Interest rate risk</b>				
Term deposits in Euro	Due to customers	(131,372)	(74,045)	(205,417)

## 19. Loans and advances to customers

	31.12.2018	31.12.2017
Loans measured at amortised cost	43,998,071	47,100,493
Less: Allowance for impairment losses	(8,843,992)	(8,780,632)
<b>Total</b>	<b>35,154,079</b>	<b>38,319,861</b>
Receivables from customers, measured at amortized cost	156,561	201,275
Loans to customers measured at fair value through profit or loss	337,557	
<b>Loans and advances to customers</b>	<b>35,648,197</b>	<b>38,521,136</b>

As at 31.12.2018, the caption "Receivables from customers, measured at amortised cost" includes accumulated impairments of € 23,542.

In the tables that follow, an analysis of loan portfolio per type and classification category is presented.

The Bank has proceeded in securitization of consumer and corporate loans, as well as credit cards, through special purpose entities controlled by the Bank. Based on the contractual terms and structure of the above transactions (e.g. allowance of guarantees or / and credit enhancement or due to the Bank owing the bonds issued by the special purpose entities) the Bank retained in all cases the risks and rewards deriving from the securitized portfolios.

The securitized loans are presented separately in the following tables.

### Loans measured at amortised cost

	31.12.2018	31.12.2017
<b>Individuals</b>		
Mortgages	15,116,187	15,770,181
Consumer:		
- Non-securitized	2,613,268	2,820,532
- Securitized	1,205,258	1,450,276
Credit cards:		
- Non-securitized	701,821	871,029
- Securitized	589,300	548,642
<b>Total loans to individuals</b>	<b>20,225,834</b>	<b>21,460,660</b>
<b>Corporate</b>		
Corporate loans:		
- Non-securitized	21,331,223	23,144,396
- Securitized	2,441,014	2,495,437
<b>Total corporate loans</b>	<b>23,772,237</b>	<b>25,639,833</b>
<b>Total</b>	<b>43,998,071</b>	<b>47,100,493</b>
Less: Allowance for impairment losses	(8,843,992)	(8,780,632)
<b>Total loans measured at amortized cost</b>	<b>35,154,079</b>	<b>38,319,861</b>



As at 31.12.2018 mortgage loans included loans amounting to €4,624,700 (31.12.2017: €1,112,325) that have been granted as collateral in the following bonds programmes of the Bank: Covered Bond Issuance Program I, Covered Bond Issuance Program II and Secured Note Program.

On 31.12.2018 the nominal value of the Covered Bond Issuance Program I amounted to €500,000, Covered Bond Issuance Program II amounted to €2,000,000 and the Secured Note Program amounted to €1,050,000 (note 29).

On 30 September 2016 the Bank submitted to the SSM its Business Plan which included the targets for both Non-Performing Exposures (NPE) and Non-Performing Loans (NPL), along with the NPE Strategy Explanatory Note and the relevant action plan, depicting the Bank's full commitment towards the active management and reduction of NPEs by the end of 2019. In the context of the annual update of the NPE and NPL reduction target, the Bank submitted to SSM on September 2018 new targets for the following years, endorsing that by the end of 2019 NPE (on a standalone base) would not exceed €16.8 billion.

During the first two years of the Business Plan, the Bank accomplished to achieve its NPL/NPE reduction target for that period, despite the adverse macroeconomic environment and the presence of certain impediments in the resolution of non-performing exposures, which were reflected in a different from the initial estimated evolution of different portfolios of the Bank, some with improved return and other with slightly worse. At the same time, the Bank at its updated Business Plan submitted has significantly revised its management structure, as well as its strategy to address NPL/NPE by applying among other the recommendations, guidelines and the relevant decisions of Bank of Greece, SSM and EBA.

On 31.12.2018 the balance of NPE in the Bank's total portfolio is €21.7 billion, lower by approximately €50 million compared to the target set in the current Business Plan.

It is noted that in the context of the European Central Bank's requirement for the Bank and the Group to be in line with other European banks, regarding the monitoring of past due exposures and the inclusion of additional data and strategic solutions until the end of March 2019 the Bank is obliged to submit and monitor an updated past due loan portfolio management plan for the years 2019 to 2021, according to the new methodology and new models of the Supervisory Authorities, both at the level of the business plan development and at the level of its achievement monitoring through reporting to the Supervisory Authorities.

The movement of accumulated allowance for impairment losses on loans, that are measured at amortised cost, follows:

<b>Balance 1.1.2017</b>	<b>10,385,356</b>
<b>Changes for the year 1.1 - 31.12.2017</b>	
Impairment losses for the year	809,892
Transfer of accumulated allowance for impairment losses to assets held for sale	(715,798)
Disposals of impaired loans	(12,565)
Change in present value of impairment losses	169,078
Foreign exchange differences	(21,311)
Loans written-off during the year	(1,752,092)
Other movements	(81,928)
<b>Balance 31.12.2017</b>	<b>8,780,632</b>
Impact from the implementation of IFRS 9	1,283,636
<b>Balance 1.1.2018</b>	<b>10,064,268</b>
<b>Changes for the year 1.1 - 31.12.2018</b>	
Impairment losses for the year	1,637,909
Transfer of accumulated allowance for impairment losses to assets held for sale	(1,394,343)
Derecognition due to significant modifications in loans' contractual terms	(2,278)
Change in present value of the impairment losses	31,528
Foreign exchange differences	4,994
Disposal of impaired loans	(20,636)
Loans written-off during the year	(1,307,094)
Other movements	(170,356)
<b>Balance 31.12.2018</b>	<b>8,843,992</b>



Certain captions in the table above, have been affected by the transfer of loans to “Assets held for Sale” and from the sales of loan portfolios as described in note 45.

The caption “Other movements” includes an amount of € 107,400 relating to loan impairment of the subsidiary AGI Cypre Ermis Ltd, which was transferred to the accumulated impairment of investments in subsidiaries, as a result of the repayment of subsidiary’s loan due to the Bank’s participation in the share capital increase of the subsidiary.

The caption also includes an amount of € 62,956 concerning impairment of loans for which the Bank, in the context of renegotiation of their terms, participated in debt to equity exchange.

In the context of the reassessment of the hold to collect business model of loans and advances to customers, past sales are taken into account.

Considering that:

- the majority of the sales are in accordance with the Bank’s business model as they concern sales of non performing loans due to the credit deterioration of the debtor and

- individual sales are insignificant in value both individually and in aggregate

sales are considered consistent with the Bank’s business model for loans and advances to customers.

### Loans to customers measured at fair value through profit or loss

	31.12.2018	31.12.2017
<b>Individuals</b>		
Consumer:		
- Non-securitized	1,152	
<b>Total loans to individuals</b>	<b>1,152</b>	
<b>Corporate</b>		
Corporate loans:		
- Non-securitized	320,173	
- Securitized	16,232	
<b>Total corporate loans</b>	<b>336,405</b>	
<b>Total loans measured at fair value through profit or loss</b>	<b>337,557</b>	

## 20. Investment securities

	31.12.2018	31.12.2017
Securities measured at fair value through other comprehensive income	5,691,866	
Securities measured at fair value through profit or loss	180,175	
Available for sale securities		4,887,356
Securities held to maturity		319
<b>Total</b>	<b>5,872,041</b>	<b>4,887,675</b>

An analysis of investment securities is provided in the following tables per classification category prior to and after the implementation of IFRS 9 for the comparative and the current period respectively, distinguished per type of security.

**a. Securities measured at fair value through other comprehensive income**

	31.12.2018
Greek Government	
- Bonds	2,665,785
- Treasury bills	796,655
Other Governments	
- Bonds	704,750
Other issuers	
- Listed	1,442,544
- Non listed	12,707
Shares	
- Listed	8,238
- Non listed	61,187
<b>Total</b>	<b>5,691,866</b>

**Investment portfolio shares measured at fair value through other comprehensive income**

The Bank has opted to classify the equity instruments that meet the following characteristics as shares measured at fair value through other comprehensive income:

- a) Investments in companies in the financial sector (shares of credit institutions and interbank companies)
- b) Investments in private equity participations (shares of venture capital or private equity) and
- c) Long-term equity holdings

The following table presents the shares of investment portfolio measured at fair value through other comprehensive income as of 31.12.2018.

	Fair value 31.12.2018	Dividend income from 1 January to 31.12.2018
Investments in financial companies	32,714	498
Long term equity holdings	36,711	68
<b>Total</b>	<b>69,425</b>	<b>566</b>

The Bank during the fiscal year, either for liquidity purposes or due to the fact that the major shareholders of certain shares acquired shares from the minority (squeeze out), proceeded with the disinvestment of Piraeus Bank SA, Titan SA and Andreou and Paraskevaidis SA shares of total fair value of € 19,840, by the time of sale. The above sales resulted in a total cumulative loss of € 24,577, compared to their initial cost of acquisition.

**b. Securities measured at fair value through profit or loss**

	31.12.2018
Other issuers	
- Listed	173,644
- Non listed	2,047
Shares	
- Non listed	3
Other variable yield securities	4,481
<b>Total</b>	<b>180,175</b>



Securities measured at fair value through profit or loss include securities for which it was assessed that their contractual cash flows do not meet the definition of capital and interest, as provided by IFRS 9 (Solely Payments of Principal and Interest -SPPI).

### c. Available for sale

	31.12.2017
Greek Government	
- Bonds	2,272,594
- Treasury bills	1,187,351
Other Governments	
- Bonds	145,923
Other issuers	
- Listed	1,194,079
- Non listed	20,107
Shares	
- Listed	29,044
- Non listed	32,604
Other variable yield securities	5,654
<b>Total</b>	<b>4,887,356</b>

On 15.11.2017 the Hellenic Republic announced the exchange of 20 bonds, maturing from 2023 up to 2042 (issued on 24.2.2012, in the context of Hellenic Republic debt restructuring) with 5 bonds with maturity on 2023, 2028, 2033, 2037 and 2042. This exchange took place in the context of a broader program implemented by the Hellenic Republic in order to manage its obligations. This exchange aimed at aligning the terms of the bonds with market standards for sovereign securities in order to normalize the Republic's yield curve. At the same time, the liquidity of the new bonds would be strengthened due to the higher volume of issuances. Each bond was exchanged with one or two new bonds based on its maturity, with a defined exchange ratio which applied to the nominal value. New debt securities generated fixed coupon payments, bearing an interest rate between 3.5% and 4.2%. On 5.12.2017 the Bank participated in the bonds' swap with an aggregated principal of € 1,917,086 and received new bonds with an aggregated principal of € 1,938,556. The transaction was treated from accounting prospective as an amendment of the contractual terms of the exchanging bonds, thus the profit recognized from the bonds swap, which amounted to € 26,680 (note 5), was determined as the difference between the discounted cash flows of the new bonds, using the original effective interest rate of the bonds exchanged and the cost of these bonds.

According to the Ministerial Decision 1174/16.11.2017 of the Independent Public Revenue Authority, the gain resulting from the Bank's participation in the Greek government bonds Exchange program, it is exempted from tax, under the provisions of paragraph 6 of article 42 of Law 4172/2013.

During the year 2017 the Bank recognized impairment losses amounting to € 25,975 which is analyzed to € 1,602 corresponding to other bonds and € 24,373 corresponding to shares. These impairment amounts are included in "Gains less losses on financial transactions and impairments on Group companies".

### d. Held to maturity

	31.12.2017
Bonds	
- Other issuers	319
<b>Total</b>	<b>319</b>

**21. Investments in subsidiaries, associates and joint ventures**

	31.12.2018	31.12.2017
<b>SUBSIDIARIES</b>		
<b>Opening balance</b>	<b>2,016,912</b>	<b>1,800,990</b>
Additions	220,486	1,061,990
Disposals	(535,735)	(818,096)
Transfer due to reclassification to assets held for sale	(868,142)	(21,782)
Transfer due to reclassification from assets held for sale	22,000	
Valuation of investments due to fair value hedge*	(649)	(6,190)
<b>Closing balance</b>	<b>854,872</b>	<b>2,016,912</b>
<b>ASSOCIATES</b>		
<b>Opening balance</b>	<b>29,083</b>	<b>631</b>
Additions		22,236
Disposals	(1,096)	(324)
Transfer from Joint Ventures		6,540
Transfer due to reclassification to assets held for sale	(22,236)	
<b>Closing balance</b>	<b>5,751</b>	<b>29,083</b>
<b>JOINT VENTURES</b>		
<b>Opening balance</b>	<b>2,936</b>	<b>13,634</b>
Additions	228	83
Disposals	(56)	(4,241)
Reclassification to Associates		(6,540)
<b>Closing balance</b>	<b>3,108</b>	<b>2,936</b>
<b>Total</b>	<b>863,731</b>	<b>2,048,931</b>

Additions represent: share purchases, participation in share capital increases and acquisitions of shares due to mergers.

Disposals represent: sales of shares, return of capital, proceeds arising from the liquidation of companies, contributions in kind and impairments.

The additions in subsidiaries amounting to € 220,486 relate to:

- share capital increase of the subsidiary AGI Cypre Ermis Ltd amounting to € 175,000 (note 48),
- share capital increase of the subsidiary Alpha Bank Cyprus Ltd amounting to € 44,585 (note 48),
- share capital increase of the subsidiary Alpha Group Jersey Ltd amounting to € 240 (note 48),
- share capital increase of the subsidiary Emporiki Management S.A amounting to € 661 (note 48).

The disposals in subsidiaries amounting to € 535,735 relate to:

**1. Disposals /liquidations:**

- Disposal of the subsidiary Emporiki Venture Capital Developed Markets Limited amounting to € 16,376 (note 48). The disposal resulted in a profit of € 9,151.
- Disposal of the subsidiary Alpha Ventures S.A. amounting to € 27,949 (note 48). The disposal resulted in a profit of € 8,149.
- Liquidation of Emporiki Group Finance Plc amounting to € 18 (note 48). The liquidation resulted in a profit of € 1,235.

The result of the disposal/liquidation of the subsidiaries was recognized in the Bank's «Gains less losses on financial transactions and impairments on Group companies».

**2. Impairment:**

- Of the subsidiary Alpha Bank Cyprus Ltd amounting to € 78,921. The carrying amount of Alpha Bank Cyprus Ltd amounted to € 306,891.
- Of the subsidiary Alpha Bank Albania SH.A. amounting to € 5,429. The carrying amount of Alpha Bank Albania SH.A. amounted to € 77,138.

\* The Bank uses FX swaps and money market loans to hedge the foreign exchange risk of its investments in subsidiaries abroad.



- Of the subsidiary AGI Cypre Ermis Ltd amounting to € 302,026. The carrying amount of AGI Cypre Ermis Ltd amounted to € 22,657.
- Of the subsidiary Alpha Finance A.E.P.E.Y. amounting to € 4,511. The carrying amount of Alpha Finance A.E.P.E.Y. amounted to € 27,127.
- Of the subsidiary Emporiki Venture Capital Emerging Markets Ltd amounting to € 850. The carrying amount of Emporiki Venture Capital Emerging Markets Ltd amounted to € 15,032.
- Of the subsidiary Alpha Group Investments Ltd amounting to € 73,873. The carrying amount of Alpha Group Investments Ltd amounted to € 334,894.
- Of the subsidiary Alpha Leasing S.A. amounting to € 25,229. The carrying amount of Alpha Leasing S.A. amounted to € 165,637.
- Of the subsidiary SSIF Alpha Finance Romania S.A. amounting to € 244. The carrying amount of SSIF Alpha Finance Romania S.A. amounted to € 241.
- Of the subsidiary Alpha Group Jersey Ltd amounting to € 58. The carrying amount of Alpha Group Jersey Ltd amounted to € 202.
- Of the subsidiary Emporiki Management S.A. amounting to € 251. The carrying amount of Emporiki Management A.E. amounted to € 3,489.

The impairments of the aforementioned subsidiaries were based on fair value estimates. The valuations were classified in Level 3 of the fair value hierarchy, as unobservable inputs were used for their valuation. The impairments are included in the operating segment «Other/Elimination center» of the note 39 « Operating segments ».

The Bank, in order to optimize the Group's corporate structure, has begun in 2018 to reorganize the Group's main subsidiaries through grouping similar business units under corresponding pillars. The first pillar will include companies operating in the financial sector in Greece, the second one comprises of companies operating in financial sector in Europe and the third pillar will include real estate related companies. In this context and as they met the requirements of IFRS 5, the Bank on 31.12.2018 transferred to assets held for sale subsidiaries of total carrying amount of € 868,142 (note 45).

The reclassification of amount € 22,000 from assets held for sale to investments in subsidiaries relates to the subsidiary APE Fixed Assets S.A., which as of 31.12.2017 met the requirements of IFRS 5 as described in detail in note 45.

The disposals in associates amount to € 1,096 and relate to:

- impairment of the associate Bank Information Systems S.A. (Teiresias) amounting to € 365. The carrying amount of Bank Information Systems S.A. (Teiresias) amounted to € 162.
- impairment of the associate Cepal Holdings S.A. amounting to € 701. The carrying amount of Cepal Holdings S.A. amounted to € 5,515.
- impairment of the associate Olganos S.A. amounting to € 30. The carrying amount of Olganos S.A. amounted to € 0.

The impairment losses of the above associates were based on fair value estimates. The valuations were classified in Level 3 of the fair value hierarchy, as unobservable inputs were used for their valuation. The impairments are included in the operating segment «Other/Elimination center» of the note 39 « Operating segments ».

The reclassification of amount € 22,236 to assets held for sale refers to the participation in Alpha Investment Property I S.A. which as of 31.12.2018 met the requirements of IFRS 5, as described in detail in note 45.

The additions of the joint ventures amounting to € 228 relate to the capital increase of Alpha TANEO AKES.

The disposals of the joint ventures amounting to € 56 relate to the return of capital of Alpha TANEO AKES.





## Subsidiary financial information

## a. Subsidiaries

Name	Country	Balance 31.12.2018			1.1 - 31.12.2018		
		Assets	Equity	Liabilities	Turnover	Profit/(Loss) before taxes	Bank's ownership interest % 31.12.2018
<b>Banks</b>							
1. Alpha Bank London Ltd	United Kingdom	944,794	56,489	888,305	18,191	4,042	100.00
2. Alpha Bank Cyprus Ltd	Cyprus	2,618,450	302,272	2,316,178	91,916	(11,264)	98.96
3. Alpha Bank Romania S.A.	Romania	3,635,611	376,086	3,259,525	157,379	24,160	99.92
4. Alpha Bank Albania SH.A.	Albania	630,750	72,834	557,916	18,237	(5,077)	100.00
<b>Leasing companies</b>							
1. Alpha Leasing A.E.	Greece	725,002	165,240	559,762	19,968	(9,179)	100.00
2. Alpha Leasing Romania IFN S.A.	Romania	43,387	1,243	42,144	2,395	175	99.00
3. ABC Factors A.E.	Greece	543,663	122,788	420,875	31,243	14,070	100.00
<b>Investment Banking</b>							
1. Alpha Finance A.E.P.E.Y.	Greece	40,555	25,329	15,226	6,885	(2,378)	99.72
2. SSIF Alpha Finance Romania S.A.	Romania	2,685	329	2,356	245	(321)	73.32
3. Emporiki Ventures Capital Emerging Markets Ltd	Cyprus	14,637	14,617	20	78	54	100.00
4. Emporiki Management S.A.	Greece	3,630	3,502	128	71	(183)	99.65
<b>Asset Management</b>							
1. Alpha Asset Management A.E.D.A.K.	Greece	42,423	38,489	3,934	18,718	3,579	88.40
<b>Insurance</b>							
1. Alpha Insurance Agents S.A.	Greece	2,303	2,260	43	981	812	100.00
2. Alphalife A.A.E.Z.	Greece	395,466	75,287	320,179	19,711	15,292	99.92
<b>Real Estate and Hotel</b>							
1. Emporiki Development & Real Estate Management S.A.	Greece	44,972	8,618	36,354	53	(220)	100.00
2. APE Fixed Assets S.A.	Greece	39,569	39,343	226		(412)	72.20
3. Alpha Investment Property Attikis SA	Greece	5,996	5,945	51	12	(118)	98.66
4. Alpha Investment Property Attikis II SA	Greece	22,046	21,884	162	1,083	138	99.74
<b>Special purpose and holding entities</b>							
1. Alpha Credit Group Plc	United Kingdom	920	828	92	12	(166)	100.00
2. Alpha Group Jersey Ltd	Jersey	9,324	202	9,122	(1)	(136)	100.00
3. Alpha Group Investments Ltd	Cyprus	437,149	437,119	30	194	(16,057)	100.00
4. Alpha Real Estate Management and Investments S.A.	Greece	349,501	347,397	2,104	2,456	3,270	100.00
5. Emporiki Group Finance Plc	United Kingdom					(13)	
6. Katanalotika Plc	United Kingdom	1,519,807	76	1,519,731	65,949	4	
7. Epihiro Plc	United Kingdom	1,757,259	55	1,757,204	46,501	5	
8. Pisti 2010-1 Plc	United Kingdom	883,637	43	883,594	78,833	5	
9. Alpha Group Ltd	Cyprus	2,897	2,815	82	184	137	100.00
10. Alpha Shipping Finance Ltd	United Kingdom	454,863	(1,184)	456,047	19,388	(67)	
11. AGI-Cypre Ermis Ltd	Cyprus	964,234	23,827	940,407	26,035	(131,173)	80.00
12. Alpha Proodos DAC	Ireland	480,821	(898)	481,719	12,403	(399)	



Name	Country	Balance 31.12.2018			1.1 - 31.12.2018		
		Assets	Equity	Liabilities	Turnover	Profit/(Loss) before taxes	Bank's ownership interest % 31.12.2018
<b>Other companies</b>							
1. Kafe Alpha S.A.	Greece	404	325	79	393	105	99.00
2. Alpha Supporting Services S.A.	Greece	77,250	70,635	6,615	11,724	2,549	99.00

## b. Associates

Name	Country	Balance 31.12.2018			1.1 - 31.12.2018		
		Assets	Equity	Liabilities	Turnover	Profit/(Loss) before taxes	Bank's ownership interest % 31.12.2018
1. AEDEP Thessalias and Stereas Ellados	Greece	605	147	458	397		50.00
2. Bank Information Systems S.A. (Teiresias)	Greece	6,811	683	6,128	12,986	(445)	23.77
3. Olganos S.A.	Greece	8,878	(1,170)	10,048	37	(348)	30.44
4. Cepal Holdings S.A.	Greece	22,171	14,158	8,013	19,242	(211)	38.61
5. Famar S.A.*	Luxembourg	369,382	(24,408)	393,791	384,019	(87,602)	47.04
6. Alpha Investment Property I S.A.	Greece	93,715	92,084	1,631	6,812	2,845	24.26

## c. Joint Ventures

Name	Country	Balance 31.12.2018			1.1 - 31.12.2018		
		Assets	Equity	Liabilities	Turnover	Profit/(Loss) before taxes	Bank's ownership interest % 31.12.2018
1. APE Commercial Property SA	Greece	5,680	5,670	10	2	(65)	72.20
2. APE Investment Property SA	Greece	210,509	134,451	76,058	7,619	(559)	71.08
3. Alpha TANEO A.K.E.S.	Greece	6,037	5,989	48	143	59	51.00

As at 31.12.2018 the Bank, following the related loans restructuring agreements with the companies, Selonda A.E.G.E. and Nireus S.A., owns 21.97% and 20.65% of their shares, respectively. The Bank intends to dispose these companies in the near future, thus, these companies were classified in assets held for sale at their fair value, which was determined in the amount of 1 Euro.

\* Famar's financial information is derived by the latest published financial statements as of 31.12.2016



## 22. Investment property

	Land and Buildings
<b>Balance 1.1.2017</b>	
Cost	43,471
Accumulated depreciation and impairment losses	(15,635)
<b>1.1.2017 - 31.12.2017</b>	
Net book value 1.1.2017	27,836
Impairments	(1,105)
Depreciation charge for the year	(352)
Net book value 31.12.2017	26,379
<b>Balance 31.12.2017</b>	
Cost	43,471
Accumulated depreciation and impairment losses	(17,092)
<b>1.1.2018 - 31.12.2018</b>	
Net book value 1.1.2018	26,379
Additions	4
Impairments	(272)
Reclassification to "Other Assets"	(268)
Reclassification to "Assets held for sale"	(950)
Depreciation charge for the year	(335)
Net book value 31.12.2018	24,558
<b>Balance 31.12.2018</b>	
Cost	41,938
Accumulated depreciation and impairment losses	(17,380)

The fair value of investment property as at 31.12.2018 amounted to € 24,257 (31.12.2017: € 25,688).

During the period of 2018, an impairment loss of € 272 was recognized (31.12.2017: € 1,105), in order for the carrying amount of investment property not to exceed their recoverable amount as at 31.12.2018, as estimated by certified appraisers. The impairment amount was recorded in "Other expenses".

The recoverable amount of investment property which was impaired during the current year amounted to € 4,049 (31.12.2017: € 10,915) and it was calculated as the fair value less costs of sale.

The fair value of investment property is calculated in accordance with the methods mentioned in note 1.7 and are classified, in terms of fair value hierarchy, in Level 3, since they have made use of research inputs, assumptions and inputs relating to properties of relevant characteristics and therefore encompass a wide range of non-observable market inputs.

The capitalization rate used ranges between 7.0% and 8.5%.

Within the fiscal year of 2018, the Bank transferred investment property of carrying amount € 950 to "Assets held for sale" as described in note 45.



## 23. Property, plant and equipment

	Land and Buildings	Equipment	Total
<b>Balance 1.1.2017</b>			
Cost	951,390	373,058	1,324,448
Accumulated depreciation and impairment losses	(326,765)	(321,813)	(648,578)
<b>1.1.2017 - 31.12.2017</b>			
Net book value 1.1.2017	624,625	51,245	675,870
Additions	6,067	12,356	18,423
Impairments	(26,931)		(26,931)
Disposals/Write-offs	(1,669)	(78)	(1,747)
Reclassification to "Other Assets"	(6,550)		(6,550)
Depreciation charge for the year	(16,743)	(13,366)	(30,109)
Net book value 31.12.2017	<b>578,799</b>	<b>50,157</b>	<b>628,956</b>
<b>Balance 31.12.2017</b>			
Cost	940,274	363,848	1,304,122
Accumulated depreciation and impairment losses	(361,475)	(313,691)	(675,166)
<b>1.1.2018 - 31.12.2018</b>			
Net book value 1.1.2018	578,799	50,157	628,956
Additions	7,318	29,997	37,315
Impairments	(2,246)		(2,246)
Disposals/Write-offs	(578)	(41)	(619)
Reclassification to "Other Assets"	(2,933)		(2,933)
Reclassification to "Assets held for sale"	(3,003)		(3,003)
Depreciation charge for the year	(15,497)	(13,079)	(28,576)
Net book value 31.12.2018	<b>561,860</b>	<b>67,034</b>	<b>628,894</b>
<b>Balance 31.12.2018</b>			
Cost	932,696	389,014	1,321,710
Accumulated depreciation and impairment losses	(370,836)	(321,980)	(692,816)

The carrying amount of owned land and buildings included in the above balances amounts to € 544,771 as at 31.12.2018 (31.12.2017: € 559,457).

In 2018, an impairment loss of € 2,246 was recognized (31.12.2017: € 26,931) and was recorded in "Other Expenses".

During the impairment assessment of property, plant and equipment, the estimation of the recoverable amount is based on the value in use, which incorporates the carrying amount of an asset and all the improvements which render it suitable for use from the Bank.

The recoverable amount of "Property, plant and equipment" which was impaired during the current year amounted to € 2,423 (31.12.2017: € 131,309).

Within the fiscal year of 2018, the Bank transferred property plant and equipment of carrying amount € 3,003 to "Assets held for sale" as described in note 45.

**24. Goodwill and other intangible assets**

	Software	Banking rights	Other	Total
<b>Balance 1.1.2017</b>				
Cost	515,055	1,785	138,339	655,179
Accumulated amortization and impairment losses	(261,635)	(1,785)	(57,833)	(321,253)
<b>1.1.2017 - 31.12.2017</b>				
Net book value 1.1.2017	253,420	-	80,506	333,926
Additions	60,606			60,606
Amortisation charge for the year	(25,459)		(18,290)	(43,749)
Net book value 31.12.2017	<b>288,567</b>	<b>-</b>	<b>62,216</b>	<b>350,783</b>
<b>Balance 31.12.2017</b>				
Cost	575,601	1,785	138,339	715,725
Accumulated amortization and impairment losses	(287,034)	(1,785)	(76,123)	(364,942)
<b>1.1.2018 - 31.12.2018</b>				
Net book value 1.1.2018	288,567	-	62,216	350,783
Additions	89,067			89,067
Amortisation charge for the year	(31,115)		(18,290)	(49,405)
Net book value 31.12.2018	<b>346,519</b>	<b>-</b>	<b>43,926</b>	<b>390,445</b>
<b>Balance 31.12.2018</b>				
Cost	664,668	1,785	138,339	804,792
Accumulated amortization and impairment losses	(318,149)	(1,785)	(94,413)	(414,347)

The additions of the current year concern mainly acquisitions of user rights for computer applications.

During the impairment assessment of intangible assets, no trigger events of impairment occurred.

**25. Deferred tax assets**

	31.12.2018	31.12.2017
Assets	5,339,676	4,282,208
<b>Total</b>	<b>5,339,676</b>	<b>4,282,208</b>

Deferred tax assets and liabilities are analyzed as follows:

	1.1 - 31.12.2018						
	Balance 31.12.2017	Impact from the implementation of IFRS 9	Balance 1.1.2018	Reclassification due to implementation of Law 4465/2017	Recognized in		Balance 31.12.2018
					Income statement	Equity	
Debit difference of Law 4046/2012	1,069,316		1,069,316		(44,555)		1,024,761
Debit difference of Law 4465/2017	15,165		15,165	30,465	692,028		737,658
Write-offs, depreciation and impairment of fixed assets	23,295		23,295		(8,863)		14,432
Loans portfolio	2,442,018	404,916	2,846,934	(30,465)	(129,835)		2,686,634
Valuation of loans due to hedging	(105)		(105)		80		(25)
Valuation of derivatives	131,688		131,688		(4,738)	681	127,631
Defined benefit obligation and insurance funds	26,002		26,002		(1,361)	(326)	24,315
Effective interest rate	3,916		3,916		(799)		3,117
Valuation of liabilities to credit institutions and other borrowed funds due to fair value hedge	7		7		3,842		3,849
Valuation/impairment of investments	149,602		149,602		227,109		376,711
Valuation/impairment of bonds and other securities	1,505	65	1,570		(87,465)	144,336	58,441
Tax losses carried forward	304,553		304,553		(140,954)		163,599
Other temporary differences	115,246	4,341	119,587		(1,034)		118,553
<b>Total</b>	<b>4,282,208</b>	<b>409,322</b>	<b>4,691,530</b>	-	<b>503,455</b>	<b>144,691</b>	<b>5,339,676</b>

	1.1 - 31.12.2017				
	Balance 1.1.2017	Reclassification due to implementation of Law 4465/2017	Recognized in		Balance 31.12.2017
			Income statement	Equity	
Debit difference of Law 4046/2012	1,113,870		(44,554)		1,069,316
Debit difference of Law 4465/2017	-	16,850	(1,685)		15,165
Write-offs, depreciation and impairment of fixed assets	25,443		(2,148)		23,295
Loans portfolio	2,435,414	(16,850)	23,454		2,442,018
Valuation of loans due to hedging	(314)		209		(105)
Valuation of derivatives	176,498		(29,335)	(15,475)	131,688
Defined benefit obligation and insurance funds	45,549		(19,508)	(39)	26,002
Effective interest rate	5,061		(1,145)		3,916
Valuation of liabilities to credit institutions and other borrowed funds due to fair value hedge	(39,698)		39,705		7
Valuation/impairment of investments	127,312		22,290		149,602
Valuation/impairment of bonds and other securities	77,126		57,589	(133,210)	1,505
Tax losses carried forward	430,621		(126,148)	80	304,553
Other temporary differences	80,262		34,984		115,246
<b>Total</b>	<b>4,477,144</b>	-	<b>(46,292)</b>	<b>(148,644)</b>	<b>4,282,208</b>



"Reclassification due to implementation of Law 4465/2017" presents the impact of the formation of debit difference, pursuant to the provisions of Law 4465/2017, which was finalized upon the submission of the Bank's income tax statement after the publication of Financial Statements as of 31.12.2017 and 31.12.2016, respectively.

The amount of € 80 which is recognized in Equity in "Tax losses carried forward" relates to share capital increase expenses which according to Law 4308/14 (Greek Accounting Standards) were recognized in the tax results of the year 2017.

## 26. Other assets

	31.12.2018	31.12.2017
Tax advances and withholding taxes	158,226	204,008
Deposit and Investment Guarantee Fund	635,007	632,813
Assets obtained from auctions	184,126	219,979
Prepaid expenses	15,340	10,808
Employee advances	6,571	7,055
Accrued income	5,491	6,868
Other	278,082	172,464
<b>Total</b>	<b>1,282,843</b>	<b>1,253,995</b>

In the caption "Other assets" is included the Hellenic Deposit and Investment Guarantee Fund which relates to the Bank's participation in assets of investment and deposit cover scheme. The above caption consists of:

1. the amount contributed relating to investment cover scheme, and
2. the difference between the regular annual contribution of credit institutions resulting from the application of article 6 of Law 3714/2008 "Borrowers protection and other regulations", which raised the amount of deposits covered from Deposit Guarantee scheme from € 20 to € 100 per each depositor.

The above difference is included according to Law 4370/7.3.2016 Deposit Guarantee Scheme (incorporating Directive 2014/49/EU), Deposit and Investment Guarantee Fund and other regulations in a special group of assets, whose elements are owned in common by the participant credit institutions, according to the participation percentage of each one.

"Tax advances and withholding taxes" are presented net of provisions, which amounted to € 101,037 as at 31.12.2018 (31.12.2017: € 49,449).

On 31.12.2018, the Bank measured its fixed assets from auctions, which have classified in other assets at the lowest value between the carrying amount and its fair value less cost to sell. In cases where the fair value was lower than the carrying amount, an impairment loss was recognized of € 18,504 in total and is recorded in "Other expenses" of the Income Statement. On 31.12.2017, the relevant impairment loss amounted to € 12,642.

The fair value of the assets has been estimated in accordance with the methods mentioned in note 1.7 and are classified in terms of fair value hierarchy in Level 3, since they have used of research inputs, assumptions and inputs from properties of relevant characteristics and therefore encompass a wide range of non-observable market inputs. The capitalization rate used was between 7.0% and 8.5%.

In 2018, the Bank transferred fixed assets from auctions with a carrying amount of € 27,835 to "Assets held for Sale", as described in detail in note 45.



## LIABILITIES

### 27. Due to Banks

	31.12.2018	31.12.2017
Deposits:		
- Current accounts	43,547	62,629
- Term deposits		
Central Banks	3,378,846	10,206,372
Other credit institutions	363,116	276,882
Cash collateral for derivative margin account and repurchase agreements	65,464	71,550
Sale and repurchase agreements (Repos)	6,410,323	2,719,980
Borrowing funds	428,116	414,437
<b>Total</b>	<b>10,689,412</b>	<b>13,751,850</b>

Eurosystem funding decreased by €6,827,526 in 2018, mainly due to the increase of customers' deposits, the issuance of covered bonds and new repurchase agreements (Repos).

In June 2016, the European Central Bank carried out a new programme of targeted long term refinancing operations (TLTRO-II) with a four year duration. The Bank participates in this program with an amount of €3,100,000.

The caption "Borrowed funds" includes liabilities due to European Investment Bank.

### 28. Due to customers

	31.12.2018	31.12.2017
Deposits:		
- Current Account	9,195,373	8,474,243
- Saving Accounts	9,586,559	9,281,801
- Term deposits	14,628,162	12,365,982
Sale of repurchase agreements (Repos)		46,115
	<b>33,410,094</b>	<b>30,168,141</b>
Cheques payable	82,124	86,889
<b>Total</b>	<b>33,492,218</b>	<b>30,255,030</b>

### 29. Debt securities in issue and other borrowed funds

#### i. Covered bonds\*

In the context of the existing of Direct Covered Bond Issuance Program I amounting to €8 billion the Bank issued, on 1.8.2017, a bond with a nominal value of €1 billion collateralized with mortgage loans of a nominal value of €1.2 billion, maturity date on 23.10.2018 and bearing an interest rate corresponding to three month Euribor plus a margin of 1.2%. The issuance was wholly purchased by the Bank and was used as collateral in financing operations. On 5.12.2017, the above issuance was redeemed.

In the context of the direct Covered Bond Issuance Program II, amounting to €8 billion, the Bank, on 6.12.2017 and on

\* Financial disclosures regarding covered bond issues, as determined by the 2620/28.8.2009 Act of the Bank of Greece, have been published on the Bank's site.





18.5.2018, issued bonds with a total nominal value of € 1 billion respectively, collateralized with mortgage loans of € 2.2 billion, with maturity date on 23.1.2021 and 23.10.2019 respectively and bearing an interest rate corresponding to three month Euribor plus a margin of 1.65%. These bonds are used as collateral in financing operations and are not included in the caption "Debt securities in issue and other borrowed funds" as they are held by the Bank.

On 25.1.2018, with settlement date on 5.2.2018, the Bank issued a € 500 million covered bond collateralized with mortgage loans of € 0.7 billion, with a 5-year tenor, bearing a fixed annual interest rate of 2.5% and 2.75% yield to maturity, as part of its € 8 billion direct issuance Covered Bond Programme I.

<b>Balance 1.1.2018</b>	-
<b>Changes for the period 1.1 – 31.12.2018</b>	
New issues	491,985
Change in the fair value due to hedging	8,308
Accrued interest	11,550
<b>Balance 31.12.2018</b>	<b>511,843</b>

The following table presents additional information for the above mentioned issues:

Issuer	Currency	Interest Rate	Maturity	Nominal value	
				31.12.2018	31.12.2017
<b>A. Covered Bonds held by the Bank</b>					
Alpha Bank S.A.	Euro	3m Euribor+1.65%	23.10.2019	1,000,000	
Alpha Bank S.A.	Euro	3m Euribor+1.65%	23.1.2021	1,000,000	1,000,000
<b>Total</b>				<b>2,000,000</b>	<b>1,000,000</b>
<b>B. Held by third parties</b>					
Alpha Bank S.A.	Euro	2.5%	5.2.2023	500,000	
<b>Total</b>				<b>500,000</b>	

### ii. Secured Note Program

On 22.11.2018 the Bank proceeded to the issuance of Secured Note with nominal value of € 1.05 billion, collateralized with mortgage loans of € 1.8 billion with maturity date on 25.10.2020 and bearing an interest rate corresponding to three months Euribor plus a margin of 1.8%. These bonds are used as collateral in financing operations and are not included in the caption "Debt securities in issue and other borrowed funds" as they are held by the Bank.

The following table presents additional information for the above mentioned issues:

Issuer	Currency	Interest Rate	Maturity	Nominal value	
				31.12.2018	31.12.2017
Alpha Bank S.A.	Euro	3m Euribor+1.8%	25.10.2020	1,050,000	
<b>Total</b>				<b>1,050,000</b>	

### iii. Senior debt securities

<b>Balance 1.1.2018</b>	<b>9,977</b>
<b>Changes for the period 1.1-31.12.2018</b>	
Maturities/Repayments	(4,635)
Accrued interest	837
<b>Balance 31.12.2018</b>	<b>6,179</b>



The following table presents additional information for the above mentioned issues:

Issuer	Currency	Interest Rate	Maturity	Nominal value	
				31.12.2018	31.12.2017
Alpha Bank S.A.	Euro	2.50%	20.6.2022	350	350
Alpha Bank S.A.	Euro	2.50%	20.6.2022	1,345	1,345
Alpha Bank S.A.	Euro	Linked to interest rate index	26.2.2019	5,000	5,000
Alpha Bank S.A.	Euro	2%	17.5.2018		5,753
<b>Total</b>				<b>6,695</b>	<b>12,448</b>

#### iv. Liabilities from the securitization of shipping loans

<b>Balance 1.1.2018</b>	<b>293,532</b>
<b>Changes for the period 1.1-31.12.2018</b>	
New securitisations	25,607
Capitalized expenses	(233)
Maturities/Repayments	(99,867)
Accrued interest	13,460
Foreign exchange differences	12,878
<b>Balance 31.12.2018</b>	<b>245,377</b>

During 2014, the Bank proceeded to a shipping loan securitization transaction, transferring the aforementioned loans to the fully consolidated Special Purpose Entity, Alpha Shipping Finance Ltd, which in turn raised funding from third parties.

#### v. Liabilities from the securitization of corporate (SMEs) loans

<b>Balance 1.1.2018</b>	<b>238,504</b>
<b>Changes for the period 1.1 - 31.12.2018</b>	
New securitisations / disbursements	3,337
Maturities/Repayments	(180,913)
Accrued Interest	1,036
<b>Balance 31.12.2018</b>	<b>61,964</b>

During 2016, the Bank proceeded with the securitization of SME's loans, by transferring the afore mentioned loans to the fully consolidated special purpose entity, Proodos Designated Activity Company (D.A.C.), which in turn raised funding from third parties and the Bank.

#### vi. Liabilities from the securitization of other loans

Liabilities arising from the securitization of consumer loans, corporate loans and credit cards are not included in caption "Debt securities in issue and other borrowed funds" since these securities of nominal value € 3,699,600 have been issued by special purpose entities and held by the Bank.

#### vii. Subordinated debt

<b>Balance 1.1.2018</b>	<b>651</b>
<b>Changes for the period 1.1-31.12.2018</b>	
Maturities / Repayments	(8)
Accrued interest	8
<b>Balance 31.12.2018</b>	<b>651</b>



The following table presents additional information for the above mentioned issues:

Issuer	Currency	Interest Rate	Maturity	Nominal value	
				31.12.2018	31.12.2017
Alpha Bank S.A.	Euro	3m Euribor+1.5%	indefinite	650	650
<b>Total</b>				<b>650</b>	<b>650</b>

#### viii. Hybrid securities

<b>Balance 1.1.2018</b>	<b>15,285</b>
<b>Changes for the period 1.1-31.12.2018</b>	
Accrued Interest	8
<b>Balance 31.12.2018</b>	<b>15,293</b>

The following table presents additional information for the above mentioned issues:

Issuer	Currency	Interest Rate	Maturity	Nominal value	
				31.12.2018	31.12.2017
Alpha Bank S.A.	Euro	4 x (CMS10-CMS2), minimum 3.25%, maximum 10%	indefinite	15,542	15,542
<b>Total</b>				<b>15,542</b>	<b>15,542</b>

<b>Total of debt securities in issue and other borrowed funds, not held by the Bank, as at 31.12.2018</b>	<b>841,307</b>
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The following table presents the changes of debt securities and other borrowed funds by separately disclosing the cash and non-cash flows.

Cash flows from financing activities	1.1.2018	Cash flows	Non cash flows				31.12.2018
		New issues, maturities, repayments	Accrued interest	Foreign exchange differences	Fair value change	Other	
Senior debt securities	9,977	(4,635)	837				6,179
Liabilities from the securitization of shipping loans	293,532	(74,260)	13,460	12,878		(233)	245,377
Liabilities from the securitization of corporate loans (SMEs)	238,504	(177,576)	1,036				61,964
Subordinated loans	651	(8)	8				651
Hybrid securities	15,285		8				15,293
Covered bond loan		491,985	11,550			8,308	511,843

Cash flows from financing activities	1.1.2017	Cash flows	Non cash flows				31.12.2017
		New issues, maturities, repayments	Accrued interest	Foreign exchange differences	Fair value change	Conversion of bond loan to shares	
Senior debt securities	26,834	(17,719)	862				9,977
Liabilities from the securitization of shipping loans	227,487	82,918	7,946	(24,819)			293,532
Liabilities from the securitization of corporate loans (SMEs)	289,160	(56,309)	5,653				238,504
Subordinated loans	26,006	(25,308)	(47)				651
Hybrid securities	15,277		8				15,285
Convertible bond loan	13,995				(1,790)	(12,205)	



The above cash flows are included in the net cash flows from financing activities in the cash flow statement of the period with exception of the cash flows from senior debt securities, which are included in the net cash flows from operating activities.

### 30. Liabilities for current income tax and other taxes

	31.12.2018	31.12.2017
Other taxes	19,842	17,920
<b>Total</b>	<b>19,842</b>	<b>17,920</b>

### 31. Employee defined benefit obligations

The total amounts recognized in the financial statements for defined benefit obligations are presented in the table below:

	Balance Sheet-Liabilities	
	31.12.2018	31.12.2017
Bank employee's indemnity provision due to retirement in accordance with Law 2112/1920	73,611	79,526
Savings program guarantee	3,325	3,232
Plans for Diners (pension and health care)	6,811	6,683
<b>Total Liabilities</b>	<b>83,747</b>	<b>89,441</b>

	Income Statement Expenses /(Income) FROM 1 JANUARY TO	
	31.12.2018	31.12.2017
Bank employee's indemnity provision due to retirement in accordance with Law 2112/1920 (note 8)	3,847	4,039
Savings program guarantee (note 8)	216	301
Plans for Diners (pension and health care) (note 8)	122	125
<b>Total</b>	<b>4,185</b>	<b>4,465</b>

Balance Sheet and Income Statement amounts are analyzed per fund and type of benefit as follows:

#### a. Employee indemnity due to retirement in accordance with Law 2112/1920

The employment contracts of the employees are considered open term employee contracts and when cancelled, the provisions of Law 2112/1920 and Law 3198/1955 apply, as amended by Law 4093/2012, which provide a lump sum benefit payment.

The amounts recognized in the balance sheet are as follows:

	31.12.2018	31.12.2017
Present value of defined obligations	73,611	79,526
<b>Liability</b>	<b>73,611</b>	<b>79,526</b>



The amounts recognized in the income statement are as follows:

	FROM 1 JANUARY TO	
	31.12.2018	31.12.2017
Current service cost	2,272	2,289
Net interest cost resulted from net asset/liability	1,333	1,411
(Gain)/Loss from Settlement/Curtailment/Termination	242	339
<b>Total (included in staff costs)</b>	<b>3,847</b>	<b>4,039</b>

The movement in the present value of defined obligation is as follows:

	2018	2017
<b>Opening Balance</b>	<b>79,526</b>	<b>78,597</b>
Current Service cost	2,272	2,289
Interest cost	1,333	1,411
Benefits paid	(8,747)	(3,994)
(Gain)/Loss from Settlement/Curtailment/Termination	242	339
Actuarial (gain)/loss-financial assumptions	(479)	1,568
Actuarial (gain)/loss-experience assumptions	(536)	(684)
<b>Closing Balance</b>	<b>73,611</b>	<b>79,526</b>

The amounts recognized in equity during the year are analyzed as follows:

	31.12.2018	31.12.2017
Change in liability due to changes in financial and demographic assumptions-gain/(loss)	479	(1,568)
Change in liability due to experience adjustments-gain/(loss)	536	684
<b>Total actuarial gain/(loss) recognized in equity</b>	<b>1,015</b>	<b>(884)</b>

The movement in the obligation in the balance sheet is as follows:

	2018	2017
<b>Opening Balance</b>	<b>79,526</b>	<b>78,597</b>
Benefits paid	(8,747)	(3,994)
Loss/(Gain) recognized in Income Statement	3,847	4,039
Loss/(Gain) recognized in Equity	(1,015)	884
<b>Closing Balance</b>	<b>73,611</b>	<b>79,526</b>

#### **b. Guarantee of the minimum benefit for newly insured employees (after 1993) that were hired up to 31.12.2004 and joined the new Bank's savings plan**

For employees hired by the Bank and insured from 1.1.1993 until 31.12.2004 the final amount to be received upon retirement has, according to the provisions of the insurance plan, as minimum limit the benefit as defined in Law 2084/1992 and the Cabinet Act 2/39350/0022/2.3.99.

The amounts included in the balance sheet are analyzed as follows:

	31.12.2018	31.12.2017
Present value of defined obligations	3,325	3,232
<b>Liability</b>	<b>3,325</b>	<b>3,232</b>



The amounts included in the income statement are analyzed as follows:

	FROM 1 JANUARY TO	
	31.12.2018	31.12.2017
Current Service Cost	162	225
Net Interest cost resulted from net asset/liability	54	76
<b>Total (Included in staff costs)</b>	<b>216</b>	<b>301</b>

The movement in the present value of defined benefit obligation is as follows:

	2018	2017
<b>Opening Balance</b>	<b>3,232</b>	<b>4,225</b>
Current service cost	162	225
Interest cost	54	76
Actuarial (gain)/loss-financial assumptions	(23)	70
Actuarial (gain)/loss-experience adjustments	(100)	(1,364)
<b>Closing Balance</b>	<b>3,325</b>	<b>3,232</b>

The amounts recognized directly in Equity during the year are analyzed as follows:

	31.12.2018	31.12.2017
Change in liability due to changes in financial and demographic assumptions - gain/(loss)	23	(70)
Change in liability due to experience adjustments - gain/(loss)	100	1,364
<b>Total actuarial gain/(loss) recognized in equity</b>	<b>123</b>	<b>1,294</b>

The movement in the obligation is as follows:

	2018	2017
<b>Opening Balance</b>	<b>3,232</b>	<b>4,225</b>
Loss/(gain) recognized in income statement	216	301
Loss/(gain) recognized in equity	(123)	(1,294)
<b>Closing Balance</b>	<b>3,325</b>	<b>3,232</b>

### c. Supplementary Pension Fund and Healthcare of Diners

The Bank guarantees from 30.9.2014, date of acquisition of Diners Club Greece A.E., the Supplementary Pension Fund and Health Care Plan of the Company, which is managed by an independent insurance company.

On 2.6.2015, the merger via absorption of the company was completed. These plans cover the pensioners and those who have retired and have the right to receive supplementary pension in the future.

The amounts included in the balance sheet are analyzed as follows:

	31.12.2018	31.12.2017
Present value of defined obligation	9,528	9,752
Fair value of plan assets	(2,717)	(3,069)
<b>Liability</b>	<b>6,811</b>	<b>6,683</b>



The amounts included in the income statement are analyzed as follows:

	FROM 1 JANUARY TO	
	31.12.2018	31.12.2017
Net interest cost resulted from the net asset/liability	112	114
Expenses	10	11
<b>Total (included in staff costs)</b>	<b>122</b>	<b>125</b>

The movement in the present value of defined benefit obligation is as follows:

	2018	2017
<b>Opening Balance</b>	<b>9,752</b>	<b>9,726</b>
Interest Cost	161	172
Benefits paid directly by the Bank	(9)	(23)
Benefits paid by the Plan	(352)	(343)
Actuarial (gain)/loss-financial assumptions	(84)	162
Actuarial (gain)/loss-experience adjustments	60	58
<b>Closing balance</b>	<b>9,528</b>	<b>9,752</b>

The movement in the fair value of plan assets is as follows:

	2018	2017
<b>Opening Balance</b>	<b>3,069</b>	<b>3,422</b>
Expected return	49	58
Benefits paid	(352)	(343)
Expenses	(10)	(11)
Actuarial losses	(39)	(57)
<b>Closing Balance</b>	<b>2,717</b>	<b>3,069</b>

The amounts recognized directly in Equity during the year are analyzed as follows:

	2018	2017
Change in liability due to financial and demographic assumptions - gains/(loss)	84	(162)
Change in liability due to experience adjustments - gain/(loss)	(60)	(58)
Return on plan assets excluding amounts included in income statement - gain/(loss)	(39)	(57)
<b>Total actuarial gain/(loss) recognized in equity</b>	<b>(15)</b>	<b>(277)</b>

The movement in the obligation/(asset) is as follows:

	2018	2017
<b>Opening Balance</b>	<b>6,683</b>	<b>6,304</b>
Benefits paid directly by the Bank	(9)	(23)
(Gain)/loss recognized in Income Statement	122	125
(Gain)/loss recognized in Equity	15	277
<b>Closing Balance</b>	<b>6,811</b>	<b>6,683</b>

The results of the abovementioned valuations are based on the assumptions of the actuarial studies.



The principal actuarial assumptions used for the above mentioned defined benefit plans are as follows:

	31.12.2018	31.12.2017
Discount rate	1.72%	1.68%
Inflation rate	1.50%	1.50%
Return on plan assets	2.00%	2.00%
Future salary growth	1.80%	1.80%
Future pension growth	0.00%	0.00%

The discount rate was based on the iBoxx Euro Corporate AA+ adopted to the characteristics of the programs.

The average duration per program is depicted in the table below:

	31.12.2018	31.12.2017
Bank employee's indemnity provision due to retirement in accordance with Law 2112/1920	17.1	17.2
Saving program guarantee	17.6	18.6
Plans for Diners (pension and health care)	15.6	16.0

The table below presents the sensitivity of the obligations of the above programs on the financial assumptions:

	Percentage variation in Liability(%)
Increase in discount rate by 0.5%	(7.7)
Decrease in discount rate by 0.5%	8.6
Increase in future salary growth rate by 0.5%	8.6
Decrease in future salary growth rate by 0.5%	(7.8)

For all the programs mentioned above, no contributions are expected to be paid during 2019.

## 32. Other liabilities

	31.12.2018	31.12.2017
Suppliers	54,600	38,269
Deferred income	7,161	1,952
Accrued Expenses	73,222	55,298
Liabilities to third parties	122,390	107,432
Liabilities to merchants from the use of credit cards	324,737	338,216
Other	248,627	283,173
<b>Total</b>	<b>830,738</b>	<b>824,340</b>





### 33. Provisions

<b>Balance 1.1.2017</b>	<b>383,188</b>
<b>Changes for the period 1.1-31.12.2017</b>	
Other provisions	9,794
Other provisions used	(4,522)
Transfer / Change of provision to cover credit risk relating to off-balance sheet items	(291,839)
Use of provision for separation scheme	(18,457)
Provisions to cover credit risk relating to off-balance sheet items	4,424
Provision for separation scheme	92,719
<b>Balance 31.12.2017</b>	<b>175,307</b>
Impact of the implementation of IFRS 9 (note 41)	113,711
<b>Balance 1.1.2018</b>	<b>289,018</b>
<b>Changes for the period 1.1 - 31.12.2018</b>	
Other provisions (note 10)	4,468
Other provisions used during the year	(5,578)
Transfer to «Other assets»	(4,295)
Use of provision for separation scheme	(44,296)
Provisions to cover credit risk relating to off-balance sheet items (note 11)	(20,801)
Foreign exchange differences	80
<b>Balance 31.12.2018</b>	<b>218,596</b>

The caption "Other Expenses", includes the amounts of other provisions, while the caption "Impairment losses and provisions to cover credit risk" of the Income Statement, includes the provisions to cover credit risk relating to off-balance sheet items.

The Bank, during 2017, and in the context of the capital restructuring of its subsidiary AGI Cypre Ermis Ltd reclassified to accumulated impairment on subsidiaries' the amount of € 271,712 that corresponds to the existing provisions for letters of guarantee granted by the Bank to its subsidiary. These letters of guarantee were cancelled, in the context of the capital restructuring of its subsidiary.

On 31.12.2018 the balance of provisions to cover credit risk relating to off-balance sheet items amounts to € 104,706 (31.12.2017: € 11,712) of which an amount of € 1,482 relates to provisions for undrawn credit limits and an amount of € 103,224 relates to provisions for Letters of Guarantee and Letters of Credit.

The balance of other provisions as at 31.12.2018 amounts to € 113,890 (31.12. 2017: € 163,595) out of which:

- An amount of € 29,715 (31.12.2017: € 31,818) relates to pending legal cases against the Bank.
- An amount of € 59,004 (31.12.2017: € 103,300) relates to provision of separation scheme as described in detail in note 8.



## EQUITY

**34. Share capital**

The Bank's share capital as at 31.12.2017 and 31.12.2018 is analysed as follows:

	Opening balance of shares as at 1.1.2017	Changes for the period from 1.1.2017 to 31.12.2017 (units)	Balance of shares as at 31.12.2017 / 31.12.2018	Paid in capital as at 31.12.2017/ 31.12.2018
		Shares from the conversion of convertible bond loan		
<b>Ordinary shares</b>				
Number of ordinary shares	1,536,881,200		1,536,881,200	461,064
Share capital increase		6,818,181	6,818,181	2,046
<b>Total</b>	<b>1,536,881,200</b>	<b>6,818,181</b>	<b>1,543,699,381</b>	<b>463,110</b>

On 23.2.2017, as a result of exercising the conversion right of all bondholders, the Bank's Board of Directors, approved the share capital increase of € 2,046, due to the conversion of the convertible bond of € 150,000 that was issued on 1.2.2013, under the agreement with Credit Agricole S.A. and Crédit Agricole Corporate and Investment Bank.

As a result of the above the Bank's share capital on 31.12.2017 / 31.12.2018 amounts to € 463,110. From the conversion, 6,818,181 new ordinary, registered, voting, paperless shares of the Bank with a nominal value of € 0.30 each, were issued and registered to Athens Stock Exchange on 18.4.2017.

Regarding the warrant's exercise on the shares held by Hellenic Financial Stability Fund, on 14.12.2017, 6,608 warrants were exercised by the shareholders which corresponded to 979 ordinary shares. The exercise of warrants did not affect the Bank's share capital but the number of shares held by the Hellenic Financial Stability Fund.

**35. Share premium**

<b>Opening Balance 1.1.2017</b>	<b>10,790,870</b>
Conversion of convertible bond loan	10,159
<b>Balance 31.12.2017/31.12.2018</b>	<b>10,801,029</b>

Following the above share capital increase «Share premium» was increased by € 10,159.

**36. Reserves**

Reserves are analyzed as follows:

**a. Statutory reserve**

	31.12.2018	31.12.2017
Statutory reserve	420,425	420,425

According to article 158 of Law 4548/2018 (for which relevant clause is included in the article 26 of the Bank's Article of Association, as in force), one twentieth (1/20) of the net profit of the year is at least deducted annually for the formation of the statutory reserve. The deduction for the formation of the statutory reserve ceases to be mandatory when the reserve reaches one third (1/3) of the share capital. The aforementioned article provides that this reserve shall be used only before any dividend distribution to equalize any debit balance of the income statement.

**b. Securities reserves measured at fair value through other comprehensive income**

	2018
Balance 31.12.2017 according to IAS 39	296,850
Impact of the implementation of IFRS 9 as at 1.1.2018 (note 41)	103,484
<b>Opening Balance 1.1</b>	<b>400,334</b>
<b>Changes for the period 1.1 - 31.12</b>	
Net change in fair value of securities measured at fair value through other comprehensive income, after income tax	(27,154)
Fair value of securities measured at fair value through other comprehensive income transferred to profit or loss, after income tax	(324,389)
<b>Total</b>	<b>(351,543)</b>
<b>Balance 31.12</b>	<b>48,791</b>

The movements for the year of the securities reserves measured at fair value through other comprehensive income relating to the change in fair value and the transfer of the reserve to profit or loss, amount before tax to debit amounts of € 38,245 and € 456,886, respectively.

**c. Available for sale securities reserve**

	2017
<b>Opening Balance 1.1</b>	<b>(29,909)</b>
<b>Changes for the period 1.1 - 31.12</b>	
Net change in fair value of available for sale securities, after income tax	382,081
Fair value of available for sale securities transferred to profit or loss, after income tax	(55,322)
<b>Total</b>	<b>326,759</b>
<b>Balance 31.12</b>	<b>296,850</b>

The movements for the year of the available for sale securities reserve relating to change in fair value and the transfer of the reserve to profit or loss amount before tax to credit amount € 537,887 and debit amount of € 77,918, respectively.

**d. Cash flow hedge reserve recognized directly in equity**

	2018	2017
<b>Opening Balance 1.1</b>	<b>(144,177)</b>	<b>(182,063)</b>
<b>Changes for the period 1.1 - 31.12</b>		
Change in cash flow hedge reserve after income tax	(1,669)	37,886
<b>Balance 31.12</b>	<b>(145,846)</b>	<b>(144,177)</b>

**e. Other reserves**

	2018	2017
<b>Opening balance 1.1</b>	<b>(266)</b>	<b>(266)</b>
<b>Changes for the period 1.1 - 31.12</b>		
<b>Balance 31.12</b>	<b>(266)</b>	<b>(266)</b>

<b>Total reserves (a+b+c+d+e)</b>	<b>323,104</b>	<b>572,832</b>
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### 37. Retained earnings

- a. Due to the Bank's accumulated losses for the year 2017 and after taking into account article 44a of Codified Law 2190/1920, the Ordinary General Meeting of Shareholders on 29.6.2018 decided the non distribution of dividend to shareholders of the Bank.
- b. Pursuant to article 159 of Law 4548/2018 there are no distributable profits for the year 2018. Therefore the Board of Directors of the Bank will propose the non-distribution of dividends to the shareholders of the Bank to the Ordinary General Meeting of Shareholders.
- c. The caption "Retained Earnings" as of 31.12.2017 includes expenses concerning share capital increase, amounting to €194 after income tax.



## ADDITIONAL INFORMATION

### 38. Contingent liabilities and commitments

#### a) Legal issues

The Bank, in the ordinary course of business, is a defendant in claims from customers and other legal proceedings. In the context of managing the operational risk events and on the basis of the accounting principles followed, the Bank records all the filed lawsuits or similar actions performed by third parties against the Bank and considers any possibility of their success, as well as the possible outcome.

For cases where there is a significant probability of a negative outcome, and the result may be sufficiently estimated, the Bank creates a provision that is included in the Balance Sheet under the caption "Provisions". On 31.12.2018 the amount of the provision stood at € 29,715 (31.12.2017: € 31,818).

For cases where according to their progress and the evaluation of the Legal department on December 31, 2018, a negative outcome is not probable or the potential outflow cannot be estimated reliably due to the complexity of the cases, the time period they will last and the uncertainty of their outcome, the Bank has not recognized a provision. As of 31.12.2018 the legal claims against the Bank for the above cases amount to € 258,917 (31.12.2017: € 289,896).

According to the estimations of the legal department, the ultimate settlement of the claims and lawsuits is not expected to have a material effect on the financial position or the operations of the Bank.

#### b) Tax issues

The Bank has been audited by the tax authorities for the years up to and including 2010. Years 2011 and 2012 are considered as closed, in accordance with the Ministerial Decision 1208/20.12.2017 of the Independent Public Revenue Authority. For the years 2011 up to 2017, the Bank has obtained a tax certificate with no qualifications according to the article 82 of Law 2238/1994 and the article 65A of Law 4174/2013. Former Emporiki Bank has been audited by the tax authorities for the years up to and including 2008. Years 2009-2012 are considered as closed, in accordance with the Ministerial Decision 1208/20.12.2017 of the Independent Public Revenue Authority. For the years 2011 up to 2013 Emporiki Bank has obtained a tax certificate with no qualifications.

The Bank's branch in London has been audited by the tax authorities up to and including 2015.

On 2.6.2015, the merger by absorption of Diners Club of Greece A.E.P.P. was completed. Diners Club of Greece A.E.P.P. has been audited by the tax authorities for the years up to and including 2010. Years 2011 and 2012 are considered as closed, in accordance with the Ministerial Decision 1208/20.12.2017 of the Independent Public Revenue Authority. For the years 2011 up to 2013 Diners Club of Greece A.E.P.P. has obtained a tax certificate with no qualifications.

Based on Ministerial Decision 1006/5.1.2016 there is no exemption from tax audit by the tax authorities to those entities that have been tax audited by the independent auditor and they have received an unqualified tax audit certificate. Therefore, the tax authorities may reaudit the tax books for previous years.

Additional taxes, interest on due payments and penalties may be imposed by tax authorities, as a result of tax audits for unaudited tax years, the amount of which cannot be accurately determined.

#### c) Operating leases

##### The Bank as lessee

Bank's obligations with respect to leases consist mainly of buildings which are used either as branches or as other operating units.

The duration of the lease agreements for new branches is set to three years with a unilateral renewal option by the Bank, for an additional nine years under the same terms and conditions as the original lease, while retaining the right to terminate the lease at any time during the nine year period. The policy of the Bank is to renew these contracts.



In the case of renewals of existing leases, the new lease is set to three years with a unilateral renewal option by the Bank for a further three years under the same terms and conditions as the original lease, while retaining the right to terminate the lease at any time during the second three years. The Bank's policy is also to renew these contracts.

The minimum future lease payments are:

	31.12.2018	31.12.2017
less than one year	24,109	25,940
between one and five years	47,462	52,448
over five years	50,284	57,059
<b>Total</b>	<b>121,855</b>	<b>135,447</b>

Bank's total lease expenses for the year 2018 relating to rental of buildings amounted to € 27,950 (31.12.2017: € 29,704) and are included in "General administrative expenses".

The main differences between the minimum future lease payments and the estimated impact of the new IFRS 16 "Leases" are attributed to the following reasons:

- Future rentals are discounted,
- The following assumptions are used:
  - exclusion of leased properties for which the lease contract expires in 2019 and will not be renewed (short-term exemption),
  - assumption relating to the extension of the duration of leases for which although the lease contract expires within 2019, the Bank will renew the contract,
  - where there is a clause in the lease contract regarding increases in lease, future leases are adjusted on the date the respective increase becomes effective .

#### The Bank as a lessor

The Bank's receivables from leases relate to leases from buildings either to Group companies or third parties.

The minimum future lease revenues are:

	31.12.2018	31.12.2017
less than one year	5,424	5,205
between one and five years	16,922	15,396
over five years	16,633	19,176
<b>Total</b>	<b>38,979</b>	<b>39,777</b>

The operating lease revenues for the year 2018 amounted to € 5,363 (31.12.2017: € 4,756) and are included in "Other income".

#### d) Off balance sheet liabilities

The Bank pursuant to its normal operations, is bound by contractual commitments, that in the future may result to changes in its asset structure. These commitments are monitored in off balance sheet accounts and relate to letters of credit, letters of guarantee, undrawn credit facilities and credit limits, as well as guarantees provided for bonds issued by subsidiaries and other guarantees to subsidiaries.

In addition, contingent liabilities for the Bank arise from undrawn loan commitments and credit limits that may not be fulfilled immediately or may be partly fulfilled as long as the agreed upon requirements are fulfilled by counterparties.



The outstanding balances are as follows:

	31.12.2018	31.12.2017
Letters of credit	17,144	15,967
Letters of guarantee and other guarantees	3,657,629	3,583,547
Guarantees provided for bonds issued by Bank's subsidiaries	15,542	15,542

Letters of credit are used to facilitate trading activities and relate to the financing of contractual agreements for the transfer of goods domestically or abroad, by undertaking the direct payment the third party bound by the agreement on behalf of the Bank's client. Letters of credit, as well as letters of guarantee, are commitments under specific terms and are issued by the Bank for the purpose of ensuring that its clients will fulfill the terms of their contractual obligations.

From 1.1.2018, following the implementation of IFRS 9, the Bank measures the expected credit losses for all the undrawn loan commitments and letters of credit / letters of guarantee, which are included in the caption "Provisions".

The balance of the abovementioned expected credit risk losses as of 31.12.2018 amounts to € 104,706 (note 33).

The Bank has committed to contribute in the share capital of the joint venture Alpha TANE0 AKES up to the amount of € 64.

#### e) Assets pledged

Assets pledged, as at 31.12.2018 are analyzed as follows:

- **Cash and balances with Central Banks**

- i. The amount of reserved funds that the Bank has to maintain to the Bank of Greece, on average for the period from 19.12.2018 to 29.1.2019, amounts to € 347,652 (31.12.2017: € 312,991). As at 31.12.2018, the pledged cash amounts to € 300,411.
- ii. Placements amounting to € 93,000 (31.12.2017: € 0) have been pledged to Central Banks for the purpose of participating in main refinancing operations.

- **Due from banks:**

- i. Pledged placements amounting to € 213,074 (31.12.2017: € 216,195) relate to guarantees provided mainly in favor of the Greek Government.
- ii. Pledged placements to credit institutions amounting to € 1,059,932 (31.12.2017: € 947,939) which have been provided as guarantee for derivative transactions and other repurchase agreements (repos).
- iii. Pledged placements to credit institutions amounting to € 28,707 (31.12.2017: € 18,905) that were given as letters of credit or guarantee letters issued by the Bank in order to facilitate its clients imports.
- iv. Pledged placements of € 9,493 (31.12.2017: € 6,214) have been provided to the Resolution Fund as irrevocable payment commitment, as part of the contribution from 2016 up to and including 2018. This commitment must be fully covered by collateral exclusively in cash as decided by the Single Resolution Board.
- v. Placements of € 325,157 (31.12.2017: € 321,847) have been provided to foreign subsidiaries as collateral to cover credit risk.
- vi. Placements of € 35,230 (31.12.2017: € 5,100) have been given as collateral for the issuance of bonds with nominal value of € 3,550,000 (31.12.2017: € 1,000,000) out of which an amount of € 3,050,000 (31.12.2017: € 1,000,000) is held by the Bank, as mentioned below under "Loans and advances to customers".

- **Loans and advances to customers:**

- i. Loans with value of € 3,700,146 (31.12.2017: € 18,213,798) are pledged to Central Banks for liquidity purposes.
- ii. A carrying amount of € 3,031,906 (31.12.2017: € 3,079,453), which relates to corporate, consumer loans and credit cards has been securitized for the issuance of the Group's special purpose entities' bonds of a nominal value € 3,699,600 (31.12.2017: € 3,699,600) which are held by the Bank, of which an amount of € 2,066,900 (31.12.2017: € 2,066,900) has been given as collateral for repurchase agreements (repos).



- iii. A carrying amount of € 498,904 (31.12.2017: € 523,422), which relates to shipping loans, has been securitized for the issuance of debt securities for the purpose of financing the Group's Special Purpose Entity, which amounts to € 267,589 (31.12.2017: € 316,713) as at 31.12.2018.
  - iv. A carrying amount of € 401,803 (31.12.2017: € 586,680) relating to corporate loans has been securitized for the issuance of debt securities from Special Purpose Entities as at 31.12.2018 which amounts to € 476,658 (31.12.2017: € 640,000), out of which an amount of € 320,000 (31.12.2017: € 320,000) is held by the Bank. From the amount held by the Bank an amount of € 100,000 (31.12.2017: € 100,000) has been given as collateral for repurchase agreements (repos).
  - v. A carrying amount of € 22,791 (31.12.2017: € 46,048) relating to corporate loans has been pledged for other loan facilities.
  - vi. A carrying amount of € 4,624,700 (31.12.2017: € 1,112,325) which relates to mortgage loans have been used as collateral in the following bond issuance programs: Covered Bonds Issuance Program I and II and the Bank's Secured Note Program. On 31.12.2018 the nominal value of the above bonds amounted to € 3,550,000 (31.12.2017: € 1,000,000), of which an amount of € 3,050,000 (31.12.2017: € 1,000,000) is held by the Bank and have been given as collateral for repurchase agreements (repos) for the amount of € 3,050,000 (31.12.2017: € 1,000,000).
- **Trading securities and investment securities:**
    - i. A carrying amount of € 2,884,458 (31.12.2017: € 3,436,247) of Greek Government securities, out of which a carrying amount of € 2,883,561 (31.12.2017: € 297,226) has been given as collateral for repurchase agreements (repos), while a carrying amount of € 897 has been given as collateral for customers' derivatives transactions. Moreover, on 31.12.2018, Greek Government treasury bills of nominal value of € 400,000 received as collateral for derivatives transactions with the Greek State, have been given as collateral for repurchase agreements (repos). Additionally, on 31.12.2017, Greek Government Securities of a carrying amount of € 3,133,717 has been pledged to Central Banks for liquidity purposes and Greek government securities with a carrying amount of € 5,304 were given as collateral for other financing operations. Also, the nominal value of Treasury Bills received as a collateral for derivative contracts with the Greek State as counterparty amounted to € 300,000.
    - ii. A carrying amount of € 423,660 (31.12.2017: € 251,507) that relates to securities issued by the European Financial Stability Facility (EFSF), has been pledged to Central Banks in order to participate in main refinancing operations. Moreover, on 31.12.2017, a carrying amount of € 237,507 had been given as collateral for repurchase agreement (repos), while securities of a nominal value of € 35,510 that had been received as collateral for reverse repurchase agreements (Reverse repos), had been given as collateral for repurchase agreements (repos).
    - iii. A carrying amount of € 244,233 (31.12.2017: € 213,005), that relates to bonds issued from the securitization of receivables of finance leases of a Group's entity, has been given as collateral for repurchase agreements (repos).
    - iv. A carrying amount of € 42,433 (31.12.2017: € 263,460) of other corporate securities has been given as collateral for repurchase agreements (repos).
    - v. A carrying amount of € 1,380,748 (31.12.2017: € 138,124) which relates to bonds issued by Other Governments and other issuers, has been given to Central Banks for liquidity purposes. In addition, bonds with a nominal value of € 464,700 and fair value of € 504,012 refer to securities received as collateral in the context of reverse repo agreements and have been given to Central Banks for liquidity purposes.





### 39. Operating segments

#### a. Analysis of operating segment

(In millions of Euro)

1.1 - 31.12.2018						
	Retail Banking	Corporate Banking	Asset Management/ Insurance	Investment Banking/ Treasury	Other/ Elimination Center	Total
Net interest income	842.2	573.8	(8.4)	143.2	(29.1)	1,521.7
Net fee and commission income	113.6	132.8	32.7	7.3		286.4
Other income	29.3	(54.6)	1.4	499.1	(282.6)	192.6
<b>Total Income</b>	<b>985.1</b>	<b>652.0</b>	<b>25.7</b>	<b>649.6</b>	<b>(311.7)</b>	<b>2,000.7</b>
<b>Total Expenses</b>	<b>(645.5)</b>	<b>(161.5)</b>	<b>(14.5)</b>	<b>(18.4)</b>	<b>(69.5)</b>	<b>(909.4)</b>
Impairment losses and provisions to cover credit risk	(1,057.0)	(432.9)		5.5		(1,484.4)
Impairment losses of other financial assets				5.7		5.7
<b>Profit/(losses) before income tax</b>	<b>(717.4)</b>	<b>57.6</b>	<b>11.2</b>	<b>642.4</b>	<b>(381.2)</b>	<b>(387.4)</b>
Income tax						450.8
<b>Profit/(losses) after income tax</b>						<b>63.4</b>
Assets 31.12.2018	21,803.1	13,831.2	77.9	11,734.5	7,729.8	55,176.5
Liabilities 31.12.2018	24,837.4	8,386.6	1,261.0	12,729.6	110.8	47,325.4
Capital Expenditure	93.4	24.3	2.2	2.2	4.4	126.5
Depreciation and Amortization	(57.8)	(15.1)	(1.4)	(1.3)	(2.7)	(78.3)

Losses before income tax of the "Other/Elimination Center" operating segment, amounting to € 381.2 million, include eliminations between operating segments amounting to € 29 million and unallocated figures amounting to € 352 million. These unallocated figures refer to a) non-recurring items that do not relate to a specific operating segment and therefore cannot be allocated and b) results from activities that do not represent reportable operating segments.

(In millions of Euro)

1.1 - 31.12.2017*						
	Retail Banking	Corporate Banking	Asset Management/ Insurance	Investment Banking/ Treasury	Other/ Elimination Center	Total
Net interest income	947.1	622.6	0.5	107.4	16.7	1,694.3
Net fee and commission income	109.4	119.8	34.4	14.5		278.1
Other income	8.4	(33.8)	1.5	139.6	(149.6)	(33.9)
<b>Total Income</b>	<b>1,064.9</b>	<b>708.6</b>	<b>36.4</b>	<b>261.5</b>	<b>(132.9)</b>	<b>1,938.5</b>
<b>Total Expenses</b>	<b>(683.7)</b>	<b>(151.8)</b>	<b>(14.5)</b>	<b>(16.7)</b>	<b>(75.2)</b>	<b>(941.9)</b>
Impairment losses and provisions to cover credit risk	(886.5)	88.5				(798.0)
Provision for separation scheme					(92.7)	(92.7)
<b>Profit/(losses) before income tax</b>	<b>(505.3)</b>	<b>645.3</b>	<b>21.9</b>	<b>244.8</b>	<b>(300.8)</b>	<b>105.8</b>
Income tax						(61.9)
<b>Profit/(losses) after income tax</b>						<b>43.9</b>
Assets 31.12.2017	23,632.2	16,438.4	78.3	8,812.2	6,893.6	55,854.7
Liabilities 31.12.2017	23,321.4	6,679.2	1,106.6	15,494.0	107.8	46,709.0
Capital Expenditure	58.0	15.4	1.3	1.3	3.0	79.0
Depreciation and Amortization	(54.5)	(14.5)	(1.2)	(1.2)	(2.8)	(74.2)

\* Certain figures of the previous year have been restated for comparability purposes.



Losses before income tax of the “Other/Elimination Center” operating segment, amounting to € 300.8 million, include eliminations income between operating segments amounting to € 17 million and unallocated expenses amounting to € 317.8 million. These unallocated figures refer to a) non-recurring items that do not relate to a specific operating segment and therefore cannot be allocated and b) results from activities that do not represent reportable operating segments.

#### i. Retail Banking

Includes all individuals (retail banking customers), professionals, small and very small companies, except from those whose relationship management is performed by the branches abroad.

The Bank, through its extended branch network, offers all types of Deposit Products (Deposits / Savings accounts, Working capital/Current accounts, Investment facilities/Term deposits, Repos, Swaps), loan facilities (Mortgages, Consumer, Corporate loans, Letters of guarantee) and debit and credit cards of the above customers.

#### ii. Corporate Banking

Includes all medium-sized and large companies, with international activities, corporations managed by the Corporate Banking Division and shipping corporations. The Bank offers working capital facilities, corporate loans, and letters of guarantee of the abovementioned corporations.

#### iii. Asset Management/Insurance

Consists of a wide range of asset management services offered through the Bank’s private banking units. In addition, a wide range of insurance products to individuals and companies is provided.

#### iv. Investment Banking/Treasury

Includes stock exchange, advisory and brokerage services relating to capital markets, and also investment banking facilities, offered by the Bank. It also includes the activities of the Dealing Room in the interbank market (FX Swaps, Bonds, Futures, IRS, Interbank placements – Loans etc.).

#### v. Other / Elimination Center

This segment includes the non-financial activities of the Bank, as well as unallocated / one-off income and expenses and intersegment transactions.

The table below presents the Bank’s loans, which are managed by the non performing loan divisions of Retail and Wholesale banking, according to the Bank’s internal procedures, and are included in the operating segments under “Retail Banking” and “Corporate Banking”.

	31.12.2018			31.12.2017		
	Balance before allowance for impairment losses	Allowance for impairment losses	Balance after allowance for impairment losses	Balance before allowance for impairment losses	Allowance for impairment losses	Balance after allowance for impairment losses
Mortgages	7,600,991	2,263,001	5,337,989	7,753,680	2,518,418	5,235,262
Consumer Loans	3,118,862	1,727,983	1,390,878	3,634,517	1,678,567	1,955,950
Corporate Loans	10,113,963	5,217,259	4,896,703	12,238,938	5,777,849	6,461,089
<b>Total</b>	<b>20,833,816</b>	<b>9,208,243</b>	<b>11,625,570</b>	<b>23,627,134</b>	<b>9,974,834</b>	<b>13,652,300</b>

\* Certain figures of the previous year have been restated for comparability purposes.



## b. Analysis by geographical segment

(In millions of Euro)

	1.1 - 31.12.2018		
	Greece	Other Countries	Total
Net interest income	1,514.4	7.3	1,521.7
Net fee and commission income	284.8	1.6	286.4
Other income	192.6		192.6
<b>Total Income</b>	<b>1,991.8</b>	<b>8.8</b>	<b>2,000.7</b>
<b>Total Expenses</b>	<b>(901.9)</b>	<b>(7.5)</b>	<b>(909.4)</b>
Impairment losses and provisions to cover credit risk	(1,484.4)		(1,484.4)
Impairment losses of other financial assets	5.7		5.7
<b>Profit/(losses) before income tax</b>	<b>(388.7)</b>	<b>1.3</b>	<b>(387.4)</b>
Income tax			450.8
<b>Profit/(losses) after income tax</b>	<b>(388.7)</b>	<b>1.3</b>	<b>63.4</b>
Assets 31.12.2018	54,808.5	368.0	55,176.5

(In millions of Euro)

	1.1 - 31.12.2017*		
	Greece	Other Countries	Total
Net interest income	1,687.6	6.7	1,694.3
Net fee and commission income	274.5	3.6	278.1
Other income	(35.5)	1.6	(33.9)
<b>Total Income</b>	<b>1,926.6</b>	<b>11.9</b>	<b>1,938.5</b>
<b>Total Expenses</b>	<b>(935.2)</b>	<b>(6.7)</b>	<b>(941.9)</b>
Impairment losses and provisions to cover credit risk	(798.0)		(798.0)
Provision for separation scheme	(92.7)		(92.7)
<b>Profit/(losses) before income tax</b>	<b>100.7</b>	<b>5.2</b>	<b>105.9</b>
Income tax			(61.9)
<b>Profit/(losses) after income tax</b>			<b>44.0</b>
Assets 31.12.2017	55,123.7	731.0	55,854.7

## 40. Risk Management

The Bank has established a thorough and prudent risk management framework which is being built on best supervisory practices which, based on the common European legislation and banking system rules, principles and standards is evolved over time in order to be implemented in a coherent and effective manner on the Bank's conduct of the day-to-day business to ensure the effectiveness of the corporate governance of the Group entities.

The bank's critical focus in 2018 was to maintain high standards in corporate governance and compliance with regulatory risk rules and retain confidence in the conduct of its business activities through sound and robust provision of financial services.

### 40.1 Credit Risk Management

#### RISK MANAGEMENT ORGANIZATION

##### Board of Directors (BoD)

The Board of Directors supervises the overall operations of the Risk Management Unit. Regarding Risk Management, the Board of Directors has established a Risk Management Committee (RMC), which convenes on a monthly basis and reports to the BoD. The RMC recommends to the BoD risk undertaking and capital management strategy, checks its implementation and evaluates its effectiveness.

\* Certain figures of the previous year have been restated for comparability purposes.



The risk management framework and its effectiveness are re-assessed on a regular basis in order to ensure compliance with International best practices.

For a more comprehensive and effective identification and monitoring of all risk types, Management Committees have been established (Assets and Liabilities Committee, Operational Risk Committee and Credit Risk Committee).

### **Risk Management Committee**

The General Manager and Chief Risk Officer supervise the Risk Management Unit of the Bank and report on a regular basis and ad hoc to the Management Committees, the Risk Management Committee and to the Board of Directors. As far as credit risk is concerned the reporting to the above-mentioned committees covers the following areas:

- The risk profile of portfolios by rating grade.
- The transition among rating grades (migration matrix).
- The estimation of the relevant risk parameters by rating grade, group of clients, etc.
- The trends of basic rating criteria.
- The changes in the rating process, in the criteria or in each specific parameter.
- The concentration risk (by risk type, sector, country, collateral etc.).
- The evolution of Gross Loans, +90 days past due loans, Non-Performing exposures and the monitoring KPIs on a group basis.
- The Cost of Risk.
- The transition of exposures from Stage 2 to 1 per asset class (IFRS 9).
- The maximum risk appetite per country, sector, currency, business Units, limit breaches and mitigation plans.

### **Organizational Structure of Risk Management Divisions**

In the Bank, under the supervision of the General Manager and Group Chief Risk Officer, the following Risk Management Divisions operate within the Bank and have been assigned with the responsibility of implementing the risk management framework, according to the principles of the RMC.

- Credit Control Division
  - Credit Risk Policy and Control Division
  - Credit Risk Methodologies Division
  - Credit Risk Cost Assessment Division
- Credit Risk Data and Analysis Division
  - Credit Risk Data Management Division
  - Credit Risk Analysis Division
- Market and Operational Risk Division
- Risk Models Validation Division
- Wholesale Credit Division
- Wholesale Credit Workout Division
- Retail Credit Division

For credit risk management purposes, facilities are separated into Wholesale and Retail.

### **WHOLESALE BANKING - CREDIT FACILITIES**

Wholesale Banking credit facilities are included in each of the following categories subject to the characteristics of the credit facility and the obligor, as shown in the table below:



	Portfolio	Characteristics
Obligors under the competence of Wholesale Banking	Corporate	Companies with turnover > Euro 75 million Includes financing in shipping companies, as well as, obligors under the management of the Investment Banking Division
	SME	Euro 2.5 million < Companies with turnover < Euro 75 million or companies with credit limit > Euro 1 million

## 1. Credit Risk Approval Process

The limits of the Wholesale Banking Credit Committees are determined in accordance to Total Credit Exposure, defined as the sum of all credit facilities of the obligor (single company or group of associated companies) which can be approved by the Bank and include the following:

- Total credit requested exposure
- Working Capital limits
- Withdrawal limits from unclear deposits
- Letters of Credit/Letters of Guarantee limits
- Factoring limits
- Derivative transaction limits
- Corporate Cards limits
- Medium and long-term loans (current outstanding/exposure for facilities that have been fully drawn or limit amount of undrawn facilities).
- Leasing Facilities (current outstanding/exposure for leasing facilities that have been fully drawn or limit amount for undrawn/unused facilities).
- Special credit limits or loans, or any form of personal financing to the company's business owners (mortgage loans, consumer loans, shares' purchase, credit cards etc.).

## Wholesale Banking Credit Committees

### Credit Committees Structure:

- Wholesale Banking Credit Committee I (General Management)
- Wholesale Banking Credit Committee II (General Managers)
- Wholesale Banking Credit Committee III (Divisions Managers)
- Wholesale Banking Credit Committee IV (Division Assistant Managers)
- Wholesale Banking Credit Committee V (Hospitality and Island Enterprises Division and Commercial Centers)

### Credit Limit Expiry/Renewal date:

The credit limits' expiry/renewal date is determined by the relevant Wholesale Banking Credit Committees. The basic factor for the determination of the credit limit expiry is the client's credit rating, which is not a standalone approval or rejection criterion, but the basis for determining the minimum security/collateral required and the respective pricing. As a rule, for obligors that have been rated in the Low, Medium and Acceptable credit risk zones, reviews are carried out on an **annual basis**, for Watch List clients, on a **semi-annual basis** while obligors that have been rated in the High Risk zone are reviewed on a **quarterly basis**. Deviations from the above rule are not allowed, except when the request by the responsible Business Units is approved by the competent Credit Committees.

## 2. Credit Risk Measurement and Internal Ratings

The assessment of the borrower's creditworthiness and their rating in credit risk scales is established through rating systems.



The rating of the Bank's borrowers with the use of credit risk rating systems constitutes a basic tool for:

- The decision-making process of Credit Committees for the approval/ renewal of credit limits and the implementation of the appropriate pricing policy (interest rate spreads etc.).
- The estimation of the future behavior of borrowers which belong to a group with similar characteristics.
- The early recognition of potential troubled facilities (early alert mechanism) and the prompt, effective action for the minimization of the expected loss for the Bank.
- The assessment of the quality of the Bank's loan portfolio and the credit risk undertaken.

The aim of the credit risk rating systems is the estimation of the probability that the borrowers will not meet their contractual obligations to the Bank as well as the Expected Credit Loss estimation.

The rating systems employed by the Bank are the Alpha Bank Rating System (ABRS) and Risk Analyst (RA) which incorporate different credit rating models.

All current and future clients of the Bank are assessed based on the appropriate credit risk rating model and within pre-specified time frames.

For the estimation of the probability of default of the obligors of the Bank and Group's Entities the credit risk rating models evaluate a series of parameters, which can be grouped as follows:

- Financial Analysis: obligor's Financial Ability (liquidity ratios, debt to income, etc.)
- Peers' Analysis: obligor's comparative position in the market in which it operates mostly compared to its peers.
- Behavioral status and history of the obligor with the Bank and with third parties (debt in arrears, adverse transaction records, etc.).
- Obligor's qualitative characteristics (solid and healthy administration, management succession, appropriate infrastructure and equipment etc.).

The credit rating models which are currently employed by the Bank are differentiated according to:

- The turnover of the company.
- The level of the total credit risk exposure.
- The credit facility's specific characteristics.
- The available information for the obligor's assessment. Specifically, for the financial analysis the differentiation relates to the type of the local accounting standards and the International Financial Reporting Standards.

For each of the credit rating models, different parameters may be used, each of which contributes in a specific manner the relevant assessment.

The statistical validation of the credit risk rating models is reviewed regularly in order to ensure the maximum predictive ability according to the best international practices and regulatory framework for credit risk management.

### Obligors Rating Scale

Borrowers are rated in the following rating scales:

**AA, A+, A, A-, BB+, BB, BB-, B+, B, B-, CC+, CC, CC-, C, D, DO, D1, D2**

For special purpose finance (Structured and Shipping Financing) special models have been designed (slotting) with the following categorization scale:

**Strong (Class 1), Good (Class 2), Satisfactory (Class 3), Weak (Class 4), Default (Category 5).**

For presentation purposes of table "Loans by credit quality and IFRS9 Stage", the "strong" rating includes the rating scales AA, A+, A, A-, BB+ and BB and Categories 1 and 2, "satisfactory" rating includes the rating scales BB-, B+, B, B-, CC+, CC and Category 3, and "under close monitoring" (higher risk) includes the rating scales CC-, C and Category 4. Last, default category, includes the rating scales D, DO, D1, D2 and category 5.



## RETAIL BANKING PORTFOLIO

Retail banking involves the lending facilities offered from the Bank to borrowers covering traditional banking products and services such as:

- Housing loans/Mortgages
- Consumer Loans and Credit Cards
- Small companies and small business (SB): Legal entities with turnover up to Euro 2.5 million and credit limit up to Euro 1 million.

### 1. Credit Risk Approval Process

The Bank monitors customer Total Credit Risk Exposure (For Individuals and Small Businesses), which refers to the sum of all revolving limits of an obligor, all the balances of long term facilities and for the case of small businesses the total exposure of facilities given to stakeholders of customer companies. Additionally, facilities for which the customer is guarantor or co-debtor are also taken into account.

The Bank has developed and implemented a strict framework for the conduct of credit policy (legislative and supervisory / regulatory) and has also formulated and put into effect an internal system of credit principles, procedures and rules clearly applicable to the Bank's lending business, in order to promote sound practices for managing credit risk.

Credit policies establish the framework for lending and guide the credit-granting activities of Retail Banking through:

- Sound lending management.
- Prudent client selection through in-depth assessment of both financial and qualitative data of the borrower
- Assessing the risk/reward relationship with a respective determination of pricing policy and collateral coverage after taking into account the level of credit risk.
- Monitoring and management of the total credit risk, i.e. the consolidated risk from any type of credit facility granted by the Bank and the Group's companies.

The enforcement of the Credit Policy requires certain criteria to be met. These criteria play a significant role in the achievement and maintenance of a healthy portfolio and in the Bank's Capital allocation. In particular:

#### Individuals

The approval process of credit to individuals (being individual with earnings from salaries, pensions or other sources of income not related with business activities) is performed on the basis of the classification of borrowers into risk groups (risk groups), which represent a certain level of undertaken risk. The level of risk undertaken by the Bank is adjusted, when deemed necessary, according to its credit policy.

The credit assessment for individuals is based upon the following pillars:

- Application fraud detection;
- Willingness to pay;
- Ability to pay;
- Collateral risk.

#### Small Businesses

Small Business are defined as following:

- Personal Companies with turnover up to €2.5 million and a credit limit up to €1 million
- Entrepreneurs with a credit limit up to €1 million
- Legal entities with turnover up to €2.5 million and a credit limit up to €1 million.

The creditworthiness of Small Businesses in the Retail Banking sector is related to the creditworthiness of agencies/competent of the company and vice versa. Therefore, the evaluation of claims in this category is based on two dimensions:



- The valuation of the creditworthiness of entities or business managers.
- The valuation of the creditworthiness of the company.

The creditworthiness of a company's stakeholders or managers is based on the specific pillars:

- Willingness to pay.
- Ability to pay.

Hence, the credit assessment for the small businesses is based on the following:

- Application fraud detection;
- Demographics;
- Financials;
- Behavior;
- Credit Bureau;
- Qualitative data; and
- Collateral risk.

## 2. Internal Ratings

The fundamental parameter in assessing Retail Banking Credit Risk is the Credit Scoring Models that are developed and employed throughout the credit cycle at the Bank level. The above models segments populations into homogenous risk groups (pools) and are categorized as follows:

- Behavior Models, which assess the customer's performance and predict the probability of defaulting within the following months;
- Application Credit Scoring Models, which assess application data—mainly demographic- that predict the probability of defaulting within the following months; and
- Models for the assessment of regulatory parameters. It is noted that during 2018, the Bank's and Group's companies credit risk assessment models were in line with International Financial Reporting Standard 9 (IFRS 9).

These models and the probabilities of default that derive from them, contribute a significant role in risk management and decision making throughout the Bank. Specifically, the models are used in the following segments:

- Decision making of credit assessment and credit limit assignment.
- Impairment tests
- Predicting future performance of customers belonging to the same pool of common characteristics.
- Tracing high risk accounts in time to schedule all necessary actions so as to reduce expected losses for the Bank.
- Assessing the Bank's portfolio quality and credit risk.

The parameters taken into account vary, according to the model's type and product category that it assesses. Indicatively, some factors are:

- Personal/demographic data: the customer's age, profession, marital status, or current address;
- Loan characteristics: product applied for, loan term, loan amount, or financing purpose;
- Behavioral data: payments during latest period of time, maximum delinquency, outstanding loan balance versus loan limit, transaction type;
- Financial data: sales change, liabilities versus sales; and
- Qualitative data: experience, seat of business (company registry).

Models are reviewed, validated and updated on a yearly basis and are subject to quality control so as to ensure at their predictive power at any point in time.

Furthermore, on a regular basis the Bank conducts exercises simulating crisis situations (Stress Tests), which explore the potential





impact on the financial results of the Bank due to unfavorable developments both in obligors' transactional behavior as well as in the broader financial macroeconomic environment.

For presentation purposes of table "Loans by credit quality and IFRS 9 Stage", the classification in "Strong", "Satisfactory" and "Watchlist" categories, for Retail Banking loans is based on the twelve-month Probability of Default. The range of probabilities that determines this classification, has derived from an analysis aiming at optimizing discriminatory power between categories; therefore ranges might differ for each category as presented below:

Rating Classification	Range of probability of default			
	Mortgages	Consumer	Credit cards	Small Business
Strong	up to 3%	up to 2.8%	up to 3.8%	up to 4.7%
Satisfactory	from 3% up to 16.5%	from 2.8% up to 16%	from 3.8% up to 16%	from 4.7% up to 17%
Watchlist	over 16.5%	over 16%	over 16%	over 17%

## CREDIT CONTROL

According to the risk management and control framework, there are three "lines of defence" with distinctly allocated roles and responsibilities and specifically the Business and Operations Units (first "Line of Defence"), the Risk Management Units (second "Line of Defence") and the Internal Audit Unit (third "Line of Defence").

In the context of the second line of defence operation and within the single context of operations set out for the sectors of Retail Banking, Wholesale Banking and Private and Investment Banking, credit controls are carried out in order to optimise Credit Risk management, to assess the quality of the loan portfolio and to ensure that the first "line of defence" operates within the framework set out for effective Credit Risk management.

This second line of defence is independent and aims, among else, to:

- Design and develop procedures and controls for credit risk management.
- Monitor the adequacy and effectiveness of existing credit risk management procedures.
- Highlight critical issues and deviations from the Bank's Manuals and Policies.
- Provide guidelines and instructions concerning the credit risk management and control procedures.
- Provide information to concerned Units about the findings of the controls and recommendations made.

Risk Models Validation Division was established, with the perspective to reinforce Bank's Second "line of defence". Risk Models Validation Division under the supervision of CRO is responsible for the statistical validation of the Bank's risk models, ensuring their robustness and reliability. In particular, it undertakes the validation of the models used for the measurement and evaluation of the Bank's credit risk, market risk and operational risk, in accordance with the supervisory framework and best practices.

## CREDIT RISK MITIGATION

### Collaterals

Collaterals are received both for Wholesale and Retail lending in order to mitigate credit risk that may arise from the obligor's inability to fulfill his contractual obligations.

Collaterals include all kind of assets and rights which are made available to the Bank either by their debtors or by third parties, in order to be used as complementary liquidity sources of relative loans.

The mitigation tools applied by the Bank include two broad categories: intangible and tangible collaterals.

#### 1. Intangible Collaterals

Intangible collaterals form the framework of the obligations and rights that are typically included and described in specific contractual documents that bind the Bank and the borrowers during the lending process with specific commitments. The commitments involve a third party who substitutes for the primary debtor in the event of the latter's default or the primary debtor itself (natural or legal entities) to honor the contractual loan agreements and their prompt repayment to the Bank and on the other hand the Bank has the right to claim them.



The main type of intangible collateral that the Bank uses to protect the Bank against the risk of losses due to debtor insolvency is the Guarantee.

## 2. Tangible Collaterals

Tangible collaterals provide the Bank with the rights over an asset (movable or immovable), owned by the obligor or the guarantor, providing priority in the satisfaction of the creditor by the liquidation proceeds of the asset.

Tangible collaterals are distinguished between mortgages and prenotation on mortgages which are registered over immovable properties and pledges on movable assets (e.g., commodities, checks, bills of exchange) or on claims and rights.

In order to better secure credit facilities granted, all mortgage and pledged assets are covered by an insurance contract, with assignment of the relevant insurance contract to the Bank.

### 2.1. Mortgage - Prenotation on Mortgages

Mortgages are registered on real estate or immovable assets which can be liquidated as indicatively reported below:

- Residential Real Estate;
- Commercial Real Estate;
- Industrial Buildings;
- Land;
- Mines;
- Ships and aircrafts;
- Machinery or other facilities (engineering, mechanical, electrical, etc.), if they are permanently and consistently connected with the mortgaged estate.

#### Methods and Frequency of real estate property valuations

According to the Bank's Credit Policy, the existence and the valuation of mortgaged property are closely monitored. The property revaluations should be carried out per year for all property types, except for cases where contract foresees something else, in cases of perceptible changes on the property or in the business process, or they are planning changes or other factors.

The initial valuations of real estate property, offered as collateral, are made when the appraiser visits the location and carries out an internal inspection.

The property revaluations, which are collaterals to performing exposures, are carried out by the Group Company Alpha Astika Akinita S.A. via:

- The price statistical index ProplIndex, regardless of the amount of the exposure for the Residential Properties.
- The price statistical index (CRE), that has been developed by Alpha Astika Akinita S.A., taking into consideration the indices published by Bank of Greece, for certain categories of commercial property, used as collateral on performing exposures of amount (on-balance sheet exposures plus off-balance sheet exposures such as Letters of Guarantee and Letters of Credit) up to Euro 1 million.
- The authorised engineers of the Company, after their visit to the professional property used as collateral or by desktop valuation, if the statistical index (CRE), does not cover either the type of business property or the amount of exposure exceeds Euro 1 million.

The revaluations for property used as collateral to non-performing exposures, are carried out by the Group Company Alpha Astika Akinita S.A. via:

- The price statistical index ProplIndex, for Residential Properties and for non-performing exposures up to Euro 300 thousand.
- The price statistical index (CRE), that has been developed by Alpha Astika Akinita S.A., taking into consideration the indices published by Bank of Greece, for certain categories of commercial property, used as collateral for performing exposure of amount up to Euro 300 thousand.
- The authorised engineers of the Company, after their visit to the property serving as collateral or by desktop valuation, provided that either the amount of non-performing exposure that cover the property under valuation exceeds the amount of Euro 300 thousand or in the cases where the indices do not cover the type of the property under revaluation.



The Bank in the context of the credit control process performs, at least annually and through proper sampling, audits for the procedures of implementation of the Bank's Loan Collateral Policy, audits for the verification of property valuations, both of those based on indices and those based on individual assessments and controls in order to assure the proper register of the values in the Bank's core systems according to the values mentioned in the relevant approvals.

## 2.2. Pledges

Pledges provide seniority rights over liquidation proceeds from a movable third party asset.

Pledges can be registered on movable assets or on rights that have not been excluded or banned from exchanges and are liquid, including:

- Raw materials, products or commodities;
- Machinery (movable);
- Bill of Lading;
- Bill of exchange;
- Cheques;
- Securities;
- Deposit; and
- Any type of claim that can be pledged.

### Frequency of pledges revaluation

Depending on the right or the underlying asset on which a pledge is registered, the periodic revaluation varies from one month to one year.

## 3. Acceptable Value

The Bank calculates the value of the securities/collaterals received based on the potential proceeds that could arise if and when these are liquidated. This calculation refers to the acceptable value/haircut of the securities/collaterals provided to the Bank by its obligors for the determination of which the quality of assets as well as their market value are taken into account.

In this way, the guaranteed values are determined for each type of collateral, which are expressed as a percentage of their market value, nominal or weighted value, depending on the type of collateral.

## EARLY WARNING SYSTEM

In order to optimise the management of Lending and, in particular, limit the loans whose status changes from Performing Loans (PLs) to Non-Performing Loans (NPLs), due to the debtor's negligence or financial difficulty of a temporary or permanent nature, the Bank has developed the Credit Risk Early Warning System, which is defined as the aggregation of actions, processes and reports required to ensure the early identification of events (Early Warning Alerts), at borrower and portfolio level, which may possibly lead to either an increase in NPLs or an increase in exposures with significant increase in credit risk, as well as the relevant actions that must be taken in order to manage the borrowers concerned.

The implementation perimeter of the Credit Risk Early Warning System encompasses all performing exposures, as well as exposures past due for up to 30 days which have not been forborne.

The effectiveness of the Credit Risk Early Warning System is being monitored on a regular basis by three "lines of defence":

- The first "line of defence" consists of controls within the Units of the Bank that participate in the process.
- The second "line of defence", i.e. the Risk Management Unit, is responsible for ensuring on an ongoing basis and at least once per year, that the controls of the "first line of defence" are applied effectively, through the Credit Control Mechanism.
- The third "line of defence" is the internal audit function that carries out regular evaluations and proposes potential improvements.

## ENVIRONMENTAL AND SOCIAL RISK

Assessment of the strict compliance with the principles of an environmentally and socially responsible financing towards legal entities has been integrated within Credit Risk Management Framework and Credit Policy.



The main objective is the management of potential risk arising from the operations of obligors of the Bank that may be connected with a damage to the environment or the society or with any direct threat of such a damage, having as a result a negative impact on the business operations and financial results of the Bank.

### CREDIT RISK CONCENTRATION MANAGEMENT

Concentration Risk is a specific form of credit risk and arises due to the low degree of diversification between counterparties, products or group of counterparties, sectors, geographic regions, or collaterals.

The Bank monitors on a regular basis concentration risk through detail reporting which informs senior management and the Board of Directors. According to the supervisory framework, the Bank complies with the regulatory directives regarding large exposures, while the capital requirements for single name and sector concentration risks are estimated in the context of Pillar 2 of Basel II.

### DEFINITIONS:

The following definitions are provided as guidance to tables that follow:

#### Public Sector

The Public Sector includes:

- The Greek Central Government (all departments or Ministries and Public Administration);
- Local Authorities;
- Companies controlled and fully or partially owned by the State; and
- Companies associated with the State
- Legal Entities controlled by politically exposed persons

#### Past Due Exposures

An Exposure is past due if the counterparty's exposure is, materially, more than one day past due (sum of the principal, interests and charges/commissions due more than one day at an account level).

#### Non-Performing Exposures

An exposure is considered as Non-Performing when at least one or more events have occurred that adversely affect the expected cash flows. Indicative events that satisfy the classification of an exposure as Non -Performing are the following:

- The exposure is more than 90 days past due (NPL): The amount due exceeds € 100 for Retail Exposures or € 500 for Wholesale Exposures and the amount due exceeds 1% of the total on balance sheet exposures. In particular, for overdraft facilities, an exposure is past due after having exceeded its approved limit.
- Legal actions have been undertaken by the Bank -Legal (NPL).
- The exposure is classified as Forborne Non-Performing Exposure (FNPL)
- It is assessed as Unlikely to Pay (UTP).

When a Wholesale Banking borrower has an exposure that is more than 90 days past due and the amount of this exposure exceeds 20% of total exposures of the borrower, then all exposures of the borrower are considered as non-performing (Pulling Effect).

#### Performing Exposures

An exposure is considered as performing when the following criteria are met:

- The exposure is less than 90 days past due;
- No legal actions have been undertaken against the exposure;
- No unlikelihood to pay reported on its credit obligation
- The exposure is not classified as impaired;

or



- The exposure is classified as forborne performing exposure, as defined in the aforementioned Implementing Regulation (EU) 2015/227 of 9 January 2015.

### Unlikelihood to Pay

An exposure is flagged as 'Unlikely To Pay' (UTP) when it is less than 90 days past due and the Bank assesses that the borrower is unlikely to fully meet his credit obligations without the liquidation of collateral, regardless the existence of any past due amount or the number of days past due, with the exception of collaterals that are part of the production and trade chain of the borrower (e.g. properties for Real Estate companies, corporate shares for Holding companies).

For Wholesale Banking, the procedure is the following:

- (a) Identification of events which when occur lead to the transfer of the exposure to Non-Performing status without requiring an assessment by any Credit Committee (Hard UTP Triggers),
- (b) Identification of triggers which when occur, lead to borrower's credit assessment by the relevant Wholesale Banking Credit Committee in order to determine whether borrower's exposures should be classified as Non-Performing or not (Soft UTP Triggers). This assessment takes place when reviewing borrower's credit limits depending on its credit ratings and in accordance with Wholesale Banking Credit Manual. If a borrower is flagged as UTP, then his credit risk rating should be D (Default) according to Bank's rating system or Slotting category 5 (default) for Borrowers assessed using Slotting Models. If a borrower flagged as UTP belongs to a group of companies, then the group should also be assessed by the competent Credit Committee for the existence or not of UTP trigger.

For Wholesale Banking exposures the following Hard UTP Triggers exist:

- Denouncement of loan agreement
- Liquidation of collaterals and initiation of foreclosure measures by the Bank when the borrower does not have operational cash flows for the repayment of his debt obligations (excluding e.g. checks).
- Legal actions, sale or judicial sale in order to collect the claim (e.g. foreclosure instead of debt collection).
- Withdrawal of a license of particular importance in companies that require public authorisation to carry out their activities such as banks and insurance companies. The same applies for technical and construction companies, telecommunications companies, pharmaceutical, mining, transport, food, chemical, petroleum, recycle, media etc.
- Refinancing/Extensions of loans whose lifetime exceeds the economic lifetime of the funded investment.
- There are strong indications that the borrower is unable to meet his debt obligations (e.g. termination of business).
- Fraud cases
- Excess of the minimum acceptable Loan to Value (LTV), as depicted contractually, for loans collateralised with securities, e.g. bonds, shares etc (Margin Financing).
- Disappearance of an active market for the debtor's financial instruments, hold by the Bank.
- Write-off because of default
- Debt Forgiveness with or without forbearance (conditional or not) at least for the first 12 months since the debt forgiveness.
- The credit institution or the leader of consortium starts bankruptcy/insolvency proceedings (application for insolvency).
- A credit event is declared under the International Swaps and Derivatives Association - ISDA).
- Out-of-court settlement/negotiation between Banks and Borrower for settlement / debt repayment of borrowers that are under bankruptcy proceedings (application for the bankruptcy).
- The borrower has requested to enter into bankruptcy or insolvency status (application for bankruptcy).
- A Bank has initiated bankruptcy or insolvency proceedings (application for bankruptcy).

Additionally, for Wholesale Banking exposures the following Soft UTP Triggers exist:

- Exposures that were modified by providing a 'balloon' payment while the initial terms of the loan agreement did not include this repayment method, as well as exposures that the initial terms of the loan agreement included the 'balloon' payment and were modified by including an increase of the amount of "balloon" and simultaneously by reducing the current installment.



- Multiple modifications in the same exposure
- Deterioration of the leverage ratio (Debt to Equity)
- An exposure was purchased or sold with deep discount that reflects the low credit quality of the borrower.
- The debt service coverage ratio indicates that debt is not viable
- 5 Years Credit Default Swaps (CDS) above 1.000 bps in the last 12 months.
- Loss of an important customer or lessee representing of the turnover or the total property income, respectively.
- A turnover decrease resulting in a cash flows
- An affiliated customer, representing decrease in turnover, has applied for bankruptcy.
- An external auditor report with restrictions or reservations that results to significant deterioration of key financial ratios of the borrower and to worsened estimated future cash flows of the borrower.
- It is expected that an exposure with repayment at maturity or a due installment cannot be refinanced under current market conditions.
- Disappearance of an active market for the debtor's financial instruments, not hold by the Bank.
- The borrower has exceeded the financial terms of the loan agreement
- There is significant deterioration of the borrower's sector activity prospects.
- Adverse changes in the ownership structure or the management of the company or serious administrative problems.
- A third party (excluding Banks) has started bankruptcy or insolvency proceedings (application for Bankruptcy).
- Due payments to Tax Authorities and Social Security Funds.

For Retail Banking, the procedure is the following:

(a) Identification of events which when occur lead to the transfer of the exposure to Non-Performing status without requiring an assessment by any Credit Committee (Hard UTP Triggers),

(b) Identification of triggers which when occur, lead to borrower's credit assessment by the relevant Retail Banking Credit Committee in order to determine whether borrower's exposures should be classified as Non-Performing or not (Soft UTP Triggers). This assessment takes place at the date of a forbearance request. If an exposure is flagged as UTP, then it should be classified as Non-Performing in the systems.

For Retail Banking exposures the following Hard UTP Triggers exist:

- A trial day is set for registration under Bankruptcy L.3869/2010
- Fraud has been confirmed at the expense of the Bank.
- The borrower has passed away.
- Multiple forbearances for the same exposure within a 12 months' time period.
- An out-of-court settlement / negotiation is underway between banks and borrower for settlement / repayment of debts of borrowers who are under bankruptcy proceedings (application for bankruptcy).
- Denouncement of loan agreement.
- Collaterals liquidation and foreclosure procedures have been initiated by the Bank when the borrower does not have operational cash flows to repay debt obligations (excluding e.g. checks).
- Legal actions, alienation or judicial sale in order to collect the debt have been initiated (e.g. foreclosure measures against debt collection).
- Debt Forgiveness with or without forbearance (conditional or not), at least for the first 12 months since the debt forgiveness.

Additionally, for Retail Banking exposures the following Soft UTP Triggers exist:

- Multiple forbearances in the same exposure
- The borrower has other exposures in the Bank in default.
- The borrower is unemployed.



- The borrower has applied for bankruptcy or insolvency (application for bankruptcy).
- The borrower is the sole owner of a company with exposures in default and for which he has provided personal guarantees.

### **Credit impaired exposures**

An exposure is considered as Credit Impaired when the criteria specified by the definition of Non-Performing Exposures are met.

### **Default exposures**

An exposure is considered as Default when the criteria specified by the definition of Non-Performing Exposures are met.

### **Accumulated provision for impairment losses**

For credit risk reporting purposes, the accumulated provision for impairment losses of loans measured at amortised cost (i.e. Expected Credit Losses) include the accumulated allowance for impairment losses and the fair value adjustment for the contractual balance of loans which were impaired at their acquisition or origination (POCI) since the Bank, from credit risk perspective, monitors the respective adjustment as part of the provisions. These loans were recognized either in the context of acquisition of specific loans or companies (i.e. Emporiki Bank and Citibank's retail operations in Greece), or as a result of significant modification of the terms of the previous loan that led to derecognition. Relevant adjustment has been performed to the carrying amount of the loans.

### **Collateral value**

The collateral's latest market value available. In the case of immovable properties, collateral value is considered the lower figure between the prenotation amount and the market value. Value of guarantees includes the value that exceeds the value of collateral. All collateral values are capped at 100% of the outstanding amount of the loan.

## **EXPECTED CREDIT LOSS ESTIMATION METHODOLOGY**

The Bank, at each reporting date, recognizes a loss allowance for expected credit losses on loans and advances to customers not measured at fair value through profit or loss as well as for off-balance sheet exposures (letters of guarantee, letters of credit, undrawn loan commitments).

The Loan Impairment Methodology is common and applicable for both the Wholesale and Retail Banking Portfolios.

### **Default definition**

The Bank has adopted as default definition non-performing exposures (NPE), as defined in the EBA Guidelines (GL/2016/07).

The definition of default is consistent with the one used for internal credit risk management purposes.

Furthermore, the definition of Non-Performing Exposures is consistently used to develop models for estimating credit risk parameters (Probability of Default, Loss Given Default, Exposure at Default).

### **Portfolio Classification in Stages based on the Credit Risk (Staging)**

Following an exposure's initial recognition, exposure is classified into stages based on its credit risk. The classification of loans in stages is based on the changes of the credit quality compared to its initial recognition.

Upon initial recognition of an exposure, the Bank must determine whether this exposure is considered as credit impaired (Credit Impaired at Initial Recognition).

The POCI category (Purchased or Originated Credit Impaired, POCI) includes the following:

- Exposures that at the time of purchase (Purchased) meet the criteria of non-performing exposures.
- Exposures that as per accounting rules are derecognised and a new exposure is recognized and for which the following apply (Originated): if the exposure was classified as impaired (hence NPE) prior to derecognition, the new exposure will continue to maintain this classification and it will be classified as POCI.

For exposures not classified as POCI, the classification in stages is performed as follows:



- The Stage 1 includes performing credit exposures that have no significant increase in credit risk since the initial recognition date. The expected credit losses calculated are the 12 months losses from the date of the financial statements and the assessment is carried out on a collective basis with the exception of borrowers assessed on an individual basis
- The Stage 2 includes credit exposures with significant increase in credit risk since the initial recognition date but which are not non-performing. The expected credit losses calculated are the lifetime losses and the assessment is carried out on a collective basis with the exception of borrowers assessed on an individual basis
- The Stage 3 includes the non-performing / default exposures. The expected credit losses calculated are the lifetime losses and the assessment is performed on a collective or individual basis.

With regards to the POCI exposures, the expected credit losses calculated are the lifetime losses.

All possible movements between Stages of credit risk are presented below

- An exposure which has been classified in Stage 1 in previous quarter of reference could be classified either in Stage 1 in the next reporting quarter, if the credit risk has not deteriorated and the exposure is still performing, or in Stage 2, if the exposure is still performing but the credit risk has deteriorated, or in Stage 3 if the exposure is non-performing/default..
- An exposure which has been classified in Stage 2 in previous quarter of reference could be classified either in Stage 1 in the next reporting quarter, if the exposure is performing and does not meet any of the criteria of "Significant increase in credit risk" and in particular, for case of Forborne Performing exposure, if the exit criteria from the 2-years probation period are met. It could also remain in Stage 2, if the credit risk has not substantially changed, or be transferred to Stage 3, if the exposure is non-performing/default.
- An exposure which has been classified in Stage 3 previous quarter of reference could be classified either in Stage 1 in the next reporting quarter, if the exposure is performing and does not meet any of the criteria of "Significant increase in credit risk", or transferred in Stage 2, if it is no longer considered as non-performing, or remain in Stage 3, if it is still non-performing/default

The Bank does not make use of the exemption provided by the standard for low credit risk exposures.

For classification purposes, for wholesale banking revolving exposures, initial recognition date is the date of the most recent credit assessment reflecting the annual thorough credit risk review practice of the Bank.

### Significant Increase in Credit Risk

For the timely identification of significant increase in credit risk for an Exposure after the initial recognition (SICR) and the calculation of the lifetime credit loss of the exposure instead of the twelve months credit loss, the default risk at the reference date is compared to the default risk at the initial recognition date for all the Performing Exposures, including those with no days past due (Delinquencies).

The assessment for deciding if an exposure shows significant increase in credit risk or not is based on the following three types of Indicators:

- **Quantitative Indicators:** They refer to the use of quantitative information and specifically to the comparison between the probability of default (PD) at the reference date and the probability of default at the initial recognition date. The assessment of significant increase in credit risk takes into account the absolute increase of PD between the reporting and the initial recognition date (which can range between 3 and 5 percentage point depending on the asset class of the loans) as well as the relative increase of PD between the reporting and the initial recognition date (doubling or tripling of PD, depending on asset class of the loan). Absolute and relative thresholds determining the significant increase between reporting and initial recognition date are validated on an annual basis, in order to ensure a robust statistical discriminatory power.
- **Qualitative Indicators:** They refer to use of qualitative information which is not necessarily depicted in the probability of default, such as the assessment of an exposure as performing forborne ("FPL" 2 years probation period according to EBA ITS). Additional qualitative indicators for the Wholesale Banking portfolios and the Retail Banking portfolios are included in Early Warning Policy. According to the abovementioned policy and as per the assessment performed, an exposure may be considered to show significant increase in credit risk. Especially for Specialized Lending portfolios additional qualitative indicators are identified.
- **Backstop Indicators:** In addition to the above, and with a view to addressing cases where there is no evidence of significant





credit risk deterioration based on the quantitative and qualitative indicators, exposures over 30 days past due are considered by definition to show a significant increase in credit risk.

### Expected Credit Loss estimation

#### Exposures assessed on individual basis (Individual Assessment)

The Expected Credit Loss calculation is carried out either on an individual basis, taking into account the significance of the exposure, the fact that certain exposures do not share common credit risk characteristics and the existence or not of sufficient historical data, or on a collective basis.

For companies where the corporate guarantee from the parent company represents 100% of the exposure of the companies, or for other important interdependencies between group of companies, the assessment may be performed at a group level.

Specifically for the Bank, Exposures to Companies assessed on an individual basis are the following:

- Borrowers with at least one Non-Performing Exposure whose Customer overall credit Limit in the Bank exceeds the amount of Euro 1.5 million.
- Borrowers of the Shipping Division and the Structured Finance Division, regardless the overall credit limit with at least one Non-Performing Exposure.
- Exposures that do not share common risk characteristics or for which no relevant historical data that enables a collective analysis is available.

Any remaining Exposure to Companies is assessed collectively.

Specifically for the Bank, Exposures to Individuals are assessed individually, if they are Non-Performing Exposures (NPE), and if the following threshold, per portfolio, applies:

- Consumer Loans: Accounts of Consumer Credit Borrowers with total on balance exposures over € 500 thousand.
- Mortgage Loans: Accounts of Mortgage Credit Borrowers with on balance exposures over € 2 million.

Any remaining exposure to Individuals is assessed collectively.

#### Exposures assessed on collective basis (Collective Assessment)

Collective Assessment applies to credit exposures which are not assessed individually, i.e. exposures classified in Stage 1 and Stage 2 as well as non-performing exposures that do not meet the above criteria for individual assessment, after having been categorised based on similar credit risk characteristics by portfolio for the classification of credit facilities into groups with similar credit risk characteristics, the followings are considered:

- Staging according to Credit Risk
- Type of Product
- Days Past Due
- Time in default
- Indication of default
- Modification of contractual terms for borrowers showing financial difficulty (Forbearance Measures)
- Existence of Collateral taking into account the type and the percentage rate of coverage (Loan to Value)
- Existence of Greek State Guarantee
- Partial Write-Off
- Credit Risk Rating
- Activity Sector

The groupings are reviewed on a regular basis to ensure that each group is comprised of homogenous exposures.



### Calculation of expected credit loss

Expected Credit Loss is updated at each reporting date to reflect the changes in the credit risk since initial recognition and thus provide timely information on evolution of expected credit losses.

The measurement of Expected Credit Losses is performed as follows:

- For financial assets, a credit loss is the present value of the difference between:
  - (a) the contractual cash flows and
  - (b) the cash flows that the Bank expects to receive
- For undrawn loan commitments, a credit loss is the present value of the difference between:
  - (a) the contractual cash flows that are due if the loan commitment drawn down the loan; and
  - (b) the cash flows that the Bank expects to receive if the loan is drawn down.
- For letters of guarantee and letters of credit, the loss is equal to the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Bank expects to receive from the holder.

### Incorporation of forward-looking information

The Bank calculates Expected Credit Losses based on the weighted probability of three alternative scenarios. More specifically, the Economic Research Division produces forecasts for the possible evolution of macroeconomic variables that affect the level of Expected Credit Losses of loan portfolios under a baseline and under two alternative macroeconomic scenarios (an upside and an adverse one) and also produces the cumulative probabilities associated with these scenarios.

The macroeconomic variables affecting the level of expected credit losses are the Gross Domestic product (GDP), the unemployment rate and forward looking prices of residential and commercial real estates.

The yearly average for the period 2019-2022 of macroeconomic variables affecting both the Probability of Default and the expected loss given default are the following.

	2019 - 2022		
	Adverse scenario	Base scenario	Upside scenario
Real GDP growth	(0,2)%	1,8%	3,7%
Unemployment rate	18,1%	15,9%	13,7%
Change in Residential Real Estate prices (RRE)	(0,7)%	2,6%	5,8%
Change in Commercial Real Estate prices (CRE)	(0,3)%	2,7%	5,7%

The production of baseline scenario, supported by a consistent economic description, constitutes the most likely scenario according to the current economic conditions and the Bank's basic assessment of the course of the economy.

The cumulative probabilities of the macroeconomic scenarios for the Greek economy indicate that the economy performs better or worse than forecasts of the baseline scenario and the alternative scenarios, i.e. the upside and downside scenario. For each one of the alternative scenarios, the expected credit loss is calculated and weighted against the probability of each scenario in order to calculate the weighted expected credit loss

The cumulative probability assigned to the base scenario is 60%, while cumulative probability assigned to the adverse and upside scenario is 20% for each of the scenario.

If the assigned cumulative probability of the adverse scenario was increased from 20% to 40%, Expected Credit Losses would increase by € 170.9 million.

If the assigned cumulative probability of the upside scenario was increased from 20% to 40%, Expected Credit Losses would decrease by € 170.8 million.

### Credit risk parameters

Calculation of Expected Credit Loss is based on the following credit risk parameters which are developed parameters, through internal statistical models based on historical data:



- **Probability of Default (PD):** It is an estimate of the probability of a debtor to default over a specific time horizon.

For assessing the probability of default, the credit risk rating models assess a series of parameters that can be grouped as follows:

- Financial Analysis: The Borrower's Financial Capacity (Liquidity Indicators, Debt to Revenue etc.)
- Competitor's analysis: the borrower's comparative position in the market in which operates, mainly in relation to its competitors (mainly applicable to debtors of Wholesale Banking)
- Current and historical debtor's behavioural data either towards the Bank or towards third parties (delinquencies, repayment behavior, etc.), and
- Qualitative characteristics of the debtor (strong and sound management, management succession, appropriate facilities and equipment, etc.).

Credit Ratings constitute the main input in order to determine the probability of default. The Bank uses statistical models in order to analyze the collected data and make estimates of the remaining probability of default over the life of the exposures and how they will evolve over time based, among other things, on macroeconomic variables.

- **Exposure at default (EAD):** Exposure at Default is an estimate of the amount of the exposure at the time of the default taking into account: (a) expected changes in the exposure after the reporting date, including principal and interest payments; (b) the expected use of credit limits and (c) accrued interest. The approved credit limits that have not been fully disbursed represent a potential credit exposure and are converted into a credit exposure equal to the approved undrawn credit limit multiplied by a Credit Conversion Factor (CCF). The Credit Conversion factor of credit exposure is calculated based on statistical models. The maximum period for which credit losses are calculated is the remaining contractual maturity of a financial instrument unless the Bank has the legal right to recall the financial instrument earlier. In particular, for Credit Cards and revolving exposures to individuals, the maximum period is set at three years, while for revolving loans to Small Businesses, the corresponding maturity is set at four years. Regarding Wholesale Banking revolving exposures, the period is set to one year, given the thorough credit review performed at least once a year.

The Bank uses EAD models that reflect the characteristics of the portfolios.

- **Loss given default (LGD):** Loss given default is an estimate of the loss that will occur if the default occurs at a given time. It is based on the difference between the contractual cash flows due and those expected to be received, including the liquidation of collaterals and cure rate based on historical data or based on relevant Business Plan, which incorporates the estimated evolution of management actions. Furthermore, in cases that cash flows are expected to derive from the sale of loans, the Bank has incorporated, as the base scenario, the expected sales price into Expected Credit Losses calculation.

For unsecured loans, the estimated expected loss at the time of the default, takes into account expected recovery rates which vary throughout the recovery period as well as the probability of curing based on historical data or based on relevant Business Plan.

Expected recoveries from tangible collaterals take into account the following inputs: the most recent valuation (updated within the year) for the market value of the collateral, the time required for the liquidation or sale of the tangible collateral (ranging between 1 to 3 years depending on the legal action status of the loan), the expected market value at liquidation /sale date based on the evolution of RRE/ CRE indices for the next 3 years, the expected recoveries through foreclosure process or sale as derived from historical data obtained for foreclosures and sales of collateral. Last, the recovery rate of the bank is adjusted to reflect value of preferential claims. Expected cash flows are discounted using the original effective interest rate.

In addition, cure rates are in line with Bank's business plan for the reduction of NPEs (sale, restructuring e.t.c.)

Last, for secured exposures, the LGD varies based on each macroeconomic scenario.

### Undrawn commitments

According to IFRS 9, these contracts fall within the scope for expected credit losses recognition.

In estimating the expected credit losses over the life of an undrawn loan commitment, the Bank assesses the expected part of the loan commitment that will be used throughout its expected life.



## Governance

The Credit Risk Committee is responsible for approving the Expected Credit Losses as well as the methodologies developed by the Bank for calculating the expected credit loss (ECL Methodology) for loan portfolio.

The Board of Directors approves the Bank's Loan Impairment Policy through the Risk Management Committee.

## FORBEARANCE

Maintaining a healthy loan portfolio depends on the constant monitoring and assessment of the borrowers in order to allow early detection of future liquidity problems, which could affect the normal repayment of their obligations to the Bank.

The credit tools which are normally used by the Bank for managing the liquidity problems that borrowers are facing for repaying their obligations are the restructuring of debt through the renegotiation of the original terms and conditions of the loan agreement they have entered into.

The Executive Committee "Act 42/30.05.2014" as amended by the Executive Committee "Act 47/ 09.2.2015" and the Executive Committee "Act 102/ 30.8.2016" 134/5.3.2018 and 136/2.4.2018 of the Bank of Greece, has determined the supervisory framework for the management of loans in arrears and non-performing loans, over and above the already applicable requirements of Law 4261/2014, the CRR 575/2013, and delegated the decision authority to the Bank of Greece.

Furthermore, in the context of the Commission Implementing Regulation (EU) 2015/227 of the European Commission dated January 9, 2015 and the executive technical standards of the European Banking Authority, the Bank assumes the resulting regulatory obligations for forbore exposures.

Forbearance measures should be applied on the basis of the risk, cooperativeness and viability of each debtor and consist of concessions that are robust and sustainable, through the renegotiation of the initial terms and conditions of the debt contract duly taking into account the causes of the debtor's financial difficulties.

Forbearance measures may be applied a) on the basis of a customer's request, b) in accordance with the Code of Conduct under Law 4224/2013, as currently is in force, which is a State initiative under the supervision of the Bank of Greece. Apart from the forbearance measures applied to existing Retail lending exposures, which are initiated by the Bank in accordance with the directives of the Executive Committee Acts of the Bank of Greece (No.42/30.5.14 47/9.2.2015, 102/30.8.2016, 134/5.3.2018, 136/2.4.2018) and Arrears Resolution Process (ARP) of the Code of Conduct under L.4224/2013 as currently is in force, there are restructuring solutions according to the Legislative Framework. The existence of more favorable terms for renegotiating and modifying the terms and conditions of the bilateral arrangement between the Bank and the debtor (concession), who is facing or is about to face difficulties in meeting his financial commitments ("financial difficulty"), are defined with respect to:

- respective terms existing and applied to customer with no financial difficulty and
- corresponding terms existing in market for debtor with similar credit risk profile.

## MONITORING OF FORBORNE EXPOSURES

Following the Executive Committee Act 42 / 30.5.2014, ("Act 42") as subsequently amended by the Act 47/9.2.2015 ("Act 47") and by the Act 102/30.8.2016 ("Act 102") 134/5.3.2018 and 136/2.4.2018 of the Bank of Greece, the Bank has undertaken a series of actions to ensure adherence to the supervisory obligations and requirements arising from the above Acts. These changes cover the following distinct sections:

- Adaptation of Information Systems of the Bank;
- Amendments of the existing processes, such as the customization of new types of forbore exposures according to what is provided in Act 42, Act 47 and Act 102 /134/136.
- Creation of data structures (Data Marts) aiming at:
  - Automation of the processes related to the production of both internal (Risk Management) and external (Supervisory) reports;
  - Perform analyses on the portfolio of the Bank; and
  - Production of Management Information Reporting (MIS)



Additionally, the Bank has introduced independent operation management for the “Troubled Assets” (Troubled Asset Committee). This is achieved by the representation of the Administrative Bodies in the Evaluation and Monitoring of Denounced Customers Committee as well as in the Arrears Councils.

### WRITE-OFFS AND WRITE-DOWNS OF BAD DEBTS

**Bad Debt Write-off** is defined as the reduction of the gross carrying amount of a financial asset, when there is no reasonable expectation of recovery. The write-off refers to the accounting write-off of a debt or a portion of it, i.e. the removal of the financial asset or part of it from the balance sheet, which does not necessarily entail the waiver of the legal right to recover the debt. In the event that the Bank decides to waive its legal right to recover the debt, this is called **Debt Forgiveness** and this waiver may include either on or off-balance sheet items as well.

**Bad Debt Write-down** is defined as the definitive reduction of a debt or portion of it, as a result of a legally binding decision or agreement (court judgment, contractual agreement etc.), which is not further claimable. It is noted that this category encompasses **Definitive write-downs** which are unconditional and **Conditional Write-Downs** (Contingent Write-Down) subject to the achievement by the Customer of a specific performance (usually, upon the successful implementation of a specific repayment program). In the case of Definitive Write-downs, both the accounting and the legal reduction (Debt Forgiveness) take place immediately and simultaneously, whereas in the case of Contingent Write-downs, the accounting reduction takes place when the relevant decision is taken or when the agreement is concluded, while the legal reduction (Debt Forgiveness) takes place either simultaneously with the relevant decision or at a later (future) time, depending on the type of the condition.

Contingent Write-downs of debts are in turn classified into:

- (a) **Resolutive Condition**, i.e. the debt is accounting and legal write down at the time of reaching the agreement with the Debtor and is revived only in the event that the debtor does not pay the remaining amount and
- (b) **Condition Precedent**, i.e. the debt is legally written down if the Debtor repays the debt in accordance with the relevant agreement.

Indicative conditions for the submission of proposals for writing-off a part or the whole of bad debts include, but are not limited to, the following:

- The relevant Agreements with the Customers have been terminated.
- Payment Orders have been issued against all liable parties to such Agreements.
- The actions regarding the investigation of immovable property have been completed without any results.
- The procedure for the registration of encumbrances.
- At least one real estate property has been auctioned, so that the preferential claims (through the final creditor's classification list) and, by extension, the Bank's potential losses, are finalised.
- In cases where the likelihood of further recovery of the debt is considered to be particularly low, due to:
  - the fact that the debtors are placed under special liquidation;
  - the proven existence of preferential claims of a significant amount and the adoption of a decision to cease litigation actions, in order to avoid non-collectable enforcement costs;
  - the fact that further litigation actions seeking collection of the claim is economically unprofitable (e.g. low-value collateral);

The write-off requires the existence of an impairment provision in the same amount, established no later than in the quarter preceding the submission of the proposal.

### DUE FROM BANKS

Exposure to credit institutions relates to loans, interbank transactions (which include positions in derivatives) and International Trade activities. Following the basic rules of designation, monitoring and revision of corporate lending, boundaries are



established by the relevant Credit Committees for the monitoring of credit risk for the overall exposure per credit institution counterparty, excluding positions related to bonds issued by them. The approved credit limits are monitored on a daily basis. The validity period of the limits is specified in the approval of the limits in accordance with the counterparty credit institutions rating from international credit rating agencies.

In addition to the regular revisions of counterparty credit institutions limits, interim revisions may be carried out either due to circumstances associated with the trading activity of the Bank or due to markets conditions or problems associated with counterparty credit institutions. Trigger events for an extraordinary review are regularly monitored per counterparty in order to review the relevant limits when such trigger events exist.

At each reporting date, a loss allowance for expected credit losses on due from banks is recognized.

The loss allowance is based on expected credit losses related to the probability of default within the next twelve months, unless there has been a significant increase in credit risk from the date of initial recognition in which case expected credit losses are recognized over the life of the instrument. In addition, if the receivable falls under the definition of purchased or originated credit impaired (POCI) financial assets, a loss allowance equal to the lifetime expected credit losses is recognized.

Due from bank's credit risk is assessed based on credit rating of rating agencies or internal credit rating of the counterparty when a loan exposure exists at bank level.

The Bank defines as low credit risk all investment grade counterparties, for which it calculates a credit allowance equal to a 12-month expected credit loss (Stage 1).

For counterparties which do not meet the criteria of investment grade, the assessment of the significant increase in credit risk for which calculation of lifetime expected credit losses is required (Stage 2), is based on the two following conditions:

- Downgrade by at least two notches of the counterparty credit rating between the reporting date and the initial recognition date.
- The 12-month PD at reporting date is above 5% in absolute terms and has increased more than 50% compared to the respective PD existing at initial recognition date.

## INVESTMENTS IN DEBT SECURITIES

Investments in debt securities relate to securities that are classified in investment security portfolio. If there is a loan relationship with the counterparty issuer at the time of classification of the security position as investment, the Corporate Credit Policy procedures apply. These positions are subject to Bank investment limits and issuers limits and are monitored on a daily basis.

At each reporting date, a loss allowance for expected credit losses on bonds, which are not measured at fair value through profit or loss, is recognized.

The loss allowance is based on expected credit losses related to the probability of default within the next twelve months, unless there has been a significant increase in credit risk from the date of initial recognition in which case expected credit losses are recognized over the life of the instrument. In addition, if the debt securities fall under the definition of purchased or originated credit impaired (POCI) financial assets, a loss allowance equal to the lifetime expected credit losses is recognized.

Credit risk of investment in debt securities is assessed based on credit ratings of rating agencies or internal credit rating in case of Greek corporate issuers for which loan exposure exists.

The Bank defines as low credit risk all investment grade securities, for which it calculates a credit allowance equal to a 12-month expected credit loss (Stage 1).

For debt securities, which do not meet the criteria of investment grade, the assessment of the significant increase in credit risk for which calculation of lifetime expected credit losses is required (Stage 2), is based on the two following conditions:

- Downgrade by at least two notches of the counterparty credit rating between the reporting date and the initial recognition date.
- The 12-month PD at reporting date is above 5% in absolute terms and has increased more than 50% compared to the respective PD existing at initial recognition date.



In addition, the Bank is monitoring, the change in credit spreads since the initial recognition date. A change in the credit spread of the issue of more than 500bps since the initial recognition date is a trigger for the review of the debt instrument staging.

Depending on the outcome of the above review the debt instrument will remain at Stage 1 or be allocated at Stage 2, regardless of whether the primary staging criteria for allocation to Stage 2 have been triggered or not.

## FINANCIAL INSTRUMENTS CREDIT RISK

The maximum credit risk per category, in which the Bank is exposed, is depicted in the “Net exposure to credit risk”.

	31.12.2018		
	Exposure before impairment	Provisions for impairment losses	Net exposure to credit risk
<b>A. Credit risk exposure relating to balance sheet items</b>			
Balances with central banks	401,490		401,490
Due from banks	2,700,459	75,273	2,625,186
Loans and advances to customers:			
- Loans measured at amortised cost	44,951,893	9,797,814	35,154,079
- Loans measured at fair value through profit or loss	337,557	-	337,557
- Advances to customers measured at amortised cost	180,103	23,542	156,561
<b>Total</b>	<b>45,469,553</b>	<b>9,821,356</b>	<b>35,648,197</b>
Derivative financial assets	730,215	-	730,215
Trading securities:			-
- Government bonds	6,669		6,669
<b>Total</b>	<b>6,669</b>		<b>6,669</b>
Securities measured at fair value through other comprehensive income:			
- Securities measured at fair value through other comprehensive income (Government bonds)	4,215,633	48,443	4,167,190
- Securities measured at fair value through other comprehensive income (other)	1,461,906	6,655	1,455,251
<b>Total</b>	<b>5,677,539</b>	<b>55,098</b>	<b>5,622,441</b>
Securities measured at fair value through profit or loss:			
- Securities measured at fair value through profit or loss (other)	175,691		175,691
<b>Total</b>	<b>175,691</b>	<b>-</b>	<b>175,691</b>
Assets held for sale - Loans and receivables measured at amortised cost	54,796	23,644	31,152
Assets held for sale - Loans and receivables measured at fair value through profit or loss	24,773		24,773
<b>Total</b>	<b>79,569</b>	<b>23,644</b>	<b>55,925</b>
<b>Total amount of balance sheet items exposed to credit risk (a)</b>	<b>55,241,185</b>	<b>9,975,371</b>	<b>45,265,814</b>
Other balance sheet items not exposed to credit risk	11,806,621	1,895,975	9,910,646
<b>Total Assets</b>	<b>67,047,806</b>	<b>11,871,346</b>	<b>55,176,460</b>
<b>B. Credit risk exposure relating to off balance sheet items:</b>			
Letters of guarantee, letters of credit and other guarantees	3,674,773	103,225	3,571,548
Undrawn loan agreements and credit limits	3,194,052	1,481	3,192,571
Guarantees of bond loans issued by the subsidiaries of bank	15,542		15,542
<b>Total amount of off balance sheet items exposed to credit risk (b)</b>	<b>6,884,367</b>	<b>104,706</b>	<b>6,779,661</b>
<b>Total credit risk exposure (a+b)</b>	<b>62,125,552</b>	<b>10,080,077</b>	<b>52,045,475</b>



## LOANS AND ADVANCES TO CUSTOMERS

For credit risk disclosure purposes, the accumulated provision for impairment losses of loans measured at amortised cost (e.i. Expected Credit Losses) include the accumulated allowance for impairment losses and the fair value adjustment for the contractual balance of loans which were impaired at their acquisition or origination (POCI) since the Bank, from credit risk perspective, monitors the respective adjustment as part of the provisions. These loans were recognized either in the context of acquisition of specific loans or companies (i.e. Emporiki Bank and Citibank's retail operations in Greece), or as a result of significant modification of the terms of the previous loan that led to derecognition. Relevant adjustment has also been performed at the carrying amount of loans.

### Loans by IFRS 9 stage (past due and not past due)

The following table presents past due and not past due loans, measured at amortised cost, by IFRS 9 stage as well as loans that are measured at fair value through profit or loss, as at 31.12.2018:

	Loans measured at amortised cost															
	Loans measured at fair value through profit or loss (FVPL)					Loans measured at amortised cost										
	Not past due	Past due	Net carrying amount	Value of collateral		Stage 1	Stage 2	Stage 1	Stage 2	Stage 1	Stage 2					
					Carrying amount (before provision for impairment losses)	Past due	Not past due	Carrying amount (before provision for impairment losses)	Past due	Not past due	Carrying amount (before provision for impairment losses)	Past due	Expected credit losses	Net carrying amount	Expected credit losses	Net carrying amount
<b>Retail lending</b>	-	<b>1,152</b>	<b>1,152</b>	<b>1,152</b>	<b>6,057,489</b>	<b>483,893</b>	<b>5,573,596</b>	<b>21,346</b>	<b>6,036,143</b>	<b>2,430,493</b>	<b>1,606,273</b>	<b>4,036,766</b>	<b>193,764</b>	<b>3,843,002</b>		
Mortgage					4,132,642	401,425	3,731,217	1,433	4,131,209	1,653,137	1,346,364	2,999,501	48,235	2,951,266		
Consumer					566,743	48,769	517,974	4,392	562,351	261,378	118,089	379,467	52,421	327,046		
Credit cards					934,304	17,194	917,110	13,190	921,114	46,124	51,500	97,624	25,393	72,231		
Small Business					423,800	16,505	407,295	2,331	421,469	469,854	90,320	560,174	67,715	492,459		
<b>Corporate lending</b>	<b>320,300</b>	<b>16,105</b>	<b>336,405</b>	<b>267,900</b>	<b>10,826,432</b>	<b>329,865</b>	<b>10,496,567</b>	<b>73,492</b>	<b>10,752,940</b>	<b>714,780</b>	<b>289,965</b>	<b>1,004,745</b>	<b>50,419</b>	<b>954,326</b>		
Large	302,221	16,105	318,326	267,235	7,308,587	190,047	7,118,540	48,840	7,259,747	494,550	250,089	7,44,639	34,830	709,809		
SME's	18,079	-	18,079	665	3,517,845	139,818	3,378,027	24,652	3,493,193	220,230	39,876	260,106	15,589	244,517		
<b>Public sector</b>	-	-	-	-	<b>774,779</b>	<b>2,777</b>	<b>772,002</b>	<b>24,383</b>	<b>750,396</b>	<b>27,696</b>	-	<b>27,696</b>	<b>905</b>	<b>26,791</b>		
Greece					774,779	2,777	772,002	24,383	750,396	27,696	-	27,696	905	26,791		
Other countries																
<b>Total</b>	<b>320,300</b>	<b>17,257</b>	<b>337,557</b>	<b>269,052</b>	<b>17,658,700</b>	<b>816,535</b>	<b>16,842,165</b>	<b>119,221</b>	<b>17,539,479</b>	<b>3,172,969</b>	<b>1,896,238</b>	<b>5,059,207</b>	<b>245,088</b>	<b>4,824,119</b>		





31.12.2018

	Loans measured at amortised cost											
	Stage 3					Purchased or originated credit impaired loans (POCI)						
	Not past due	Past due	Carrying amount (before provision for impairment losses)	Expected credit losses	Net carrying amount	Not past due	Past due	Carrying amount (before provision for impairment losses)	Expected credit losses	Net carrying amount	Total net carrying amount at amortised cost	Value of collateral
<b>Retail lending</b>	<b>1,462,826</b>	<b>8,845,639</b>	<b>10,308,465</b>	<b>4,096,482</b>	<b>6,211,983</b>	<b>932,301</b>	<b>4,319,695</b>	<b>5,251,996</b>	<b>1,715,008</b>	<b>3,536,988</b>	<b>19,628,116</b>	<b>15,658,200</b>
Mortgage	490,787	4,668,464	5,159,251	1,600,238	3,559,013	459,322	2,532,177	2,991,499	675,110	2,316,389	12,957,877	12,139,700
Consumer	390,105	1,346,058	1,736,163	979,567	756,596	338,144	913,395	1,251,539	536,464	715,075	2,361,068	948,769
Credit cards	23,707	212,021	235,728	184,353	51,375	4,860	48,792	53,652	42,771	10,881	1,055,601	83,284
Small Business	558,227	2,619,096	3,177,323	1,332,324	1,844,999	1,29,975	825,331	955,306	460,663	494,643	3,253,570	2,486,447
<b>Corporate lending</b>	<b>1,490,466</b>	<b>3,993,707</b>	<b>5,484,173</b>	<b>2,905,907</b>	<b>2,578,266</b>	<b>368,041</b>	<b>777,137</b>	<b>1,145,178</b>	<b>690,637</b>	<b>454,541</b>	<b>14,740,073</b>	<b>10,252,074</b>
Large	741,200	1,327,191	2,068,391	1,045,320	1,023,071	196,613	148,650	345,263	169,064	176,199	9,168,826	5,575,517
SME's	749,266	2,666,516	3,415,782	1,860,587	1,555,195	171,428	628,487	799,915	521,573	278,342	5,571,247	4,676,557
<b>Public sector</b>	<b>3,321</b>	<b>952</b>	<b>4,273</b>	<b>3,269</b>	<b>1,004</b>	<b>26,375</b>	<b>3,526</b>	<b>29,901</b>	<b>22,202</b>	<b>7,699</b>	<b>785,890</b>	<b>165,994</b>
Greece	3,321	952	4,273	3,269	1,004	26,375	3,526	29,901	22,202	7,699	785,890	165,994
Other countries												
<b>Total</b>	<b>2,956,613</b>	<b>12,840,298</b>	<b>15,796,911</b>	<b>7,005,658</b>	<b>8,791,253</b>	<b>1,326,717</b>	<b>5,100,358</b>	<b>6,427,075</b>	<b>2,427,847</b>	<b>3,999,228</b>	<b>35,154,079</b>	<b>26,076,268</b>

"Purchased or originated credit impaired loans" include loans amounting to € 823,623 which as at 31.12.2018 are not credit impaired/non performing.



## Loans by credit quality and IFRS 9 Stage

The following table presents loans measured at amortised cost by IFRS 9 Stage and credit quality, as well as loans that are measured at fair value through profit or loss by credit quality, as at 31.12.2018.

31.12.2018						
	Loans measured at amortised cost					Loans measured at fair value through profit or loss
	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired (POCI)	Total	
<b>Mortgage</b>						
Strong credit quality	3,584,318	26,249		56,349	3,666,916	
Satisfactory credit quality	547,577	2,267,450		279,971	3,094,998	
Watch list (higher risk)	747	705,802		213,439	919,988	
Default			5,159,251	2,441,740	7,600,991	
<b>Carrying amount (before provision for impairment losses)</b>	<b>4,132,642</b>	<b>2,999,501</b>	<b>5,159,251</b>	<b>2,991,499</b>	<b>15,282,893</b>	
Expected credit losses	(1,433)	(48,235)	(1,600,238)	(675,110)	(2,325,016)	
<b>Net Carrying Amount</b>	<b>4,131,209</b>	<b>2,951,266</b>	<b>3,559,013</b>	<b>2,316,389</b>	<b>12,957,877</b>	-
Value of collateral	3,793,301	2,494,142	3,683,688	2,168,569	12,139,700	
<b>Consumer</b>						
Strong credit quality	354,231	8,787		26,007	389,025	
Satisfactory credit quality	209,986	101,856		44,220	356,062	
Watch list (higher risk)	2,526	268,824		85,793	357,143	
Default			1,736,163	1,095,519	2,831,682	1,152
<b>Carrying amount (before provision for impairment losses)</b>	<b>566,743</b>	<b>379,467</b>	<b>1,736,163</b>	<b>1,251,539</b>	<b>3,933,912</b>	
Expected credit losses	(4,392)	(52,421)	(979,567)	(536,464)	(1,572,844)	
<b>Net Carrying Amount</b>	<b>562,351</b>	<b>327,046</b>	<b>756,596</b>	<b>715,075</b>	<b>2,361,068</b>	<b>1,152</b>
Value of collateral	178,534	43,366	277,834	449,035	948,769	1,152
<b>Credit Cards</b>						
Strong credit quality	675,216	3,262		735	679,213	
Satisfactory credit quality	259,038	52,522		1,672	313,232	
Watch list (higher risk)	50	41,840		1,291	43,181	
Default			235,728	49,954	285,682	
<b>Carrying amount (before provision for impairment losses)</b>	<b>934,304</b>	<b>97,624</b>	<b>235,728</b>	<b>53,652</b>	<b>1,321,308</b>	
Expected credit losses	(13,190)	(25,393)	(184,353)	(42,771)	(265,707)	
<b>Net Carrying Amount</b>	<b>921,114</b>	<b>72,231</b>	<b>51,375</b>	<b>10,881</b>	<b>1,055,601</b>	-
Value of collateral	61,274	1,765	17,154	3,091	83,284	
<b>Small Business</b>						
Strong credit quality	366,894	13,075		8,541	388,510	
Satisfactory credit quality	39,736	132,916		3,772	176,424	
Watch list (higher risk)	17,170	414,183		45,918	477,271	
Default			3,177,323	897,075	4,074,398	
<b>Carrying amount (before provision for impairment losses)</b>	<b>423,800</b>	<b>560,174</b>	<b>3,177,323</b>	<b>955,306</b>	<b>5,116,603</b>	
Expected credit losses	(2,331)	(67,715)	(1,332,324)	(460,663)	(1,863,033)	
<b>Net Carrying Amount</b>	<b>421,469</b>	<b>492,459</b>	<b>1,844,999</b>	<b>494,643</b>	<b>3,253,570</b>	-
Value of collateral	306,139	322,536	1,482,774	374,998	2,486,447	
<b>Large Corporate</b>						
Strong credit quality	5,160,997	39,054			5,200,051	70,540
Satisfactory credit quality	2,106,368	338,493		26,064	2,470,925	113,824
Watch list (higher risk)	41,222	367,092		15,630	423,944	36,018
Default			2,068,391	303,569	2,371,960	97,944
<b>Carrying amount (before provision for impairment losses)</b>	<b>7,308,587</b>	<b>744,639</b>	<b>2,068,391</b>	<b>345,263</b>	<b>10,466,880</b>	
Expected credit losses	(48,840)	(34,830)	(1,045,320)	(169,064)	(1,298,054)	
<b>Net Carrying Amount</b>	<b>7,259,747</b>	<b>709,809</b>	<b>1,023,071</b>	<b>176,199</b>	<b>9,168,826</b>	<b>318,326</b>
Value of collateral	3,411,027	617,459	1,300,859	246,172	5,575,517	267,235



31.12.2018						
	Loans measured at amortised cost					Loans measured at fair value through profit or loss
	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired loans (POCI)	Total	
<b>SME's</b>						
Strong credit quality	1,235,019	10,745			1,245,764	
Satisfactory credit quality	2,214,255	113,477		7,830	2,335,562	
Watch list (higher risk)	68,571	135,884		6,388	210,843	
Default			3,415,782	785,697	4,201,479	18,079
<b>Carrying amount (before allowance for impairment losses)</b>	<b>3,517,845</b>	<b>260,106</b>	<b>3,415,782</b>	<b>799,915</b>	<b>7,993,648</b>	
Expected credit losses	(24,652)	(15,589)	(1,860,587)	(521,573)	(2,422,401)	
<b>Net Carrying Amount</b>	<b>3,493,193</b>	<b>244,517</b>	<b>1,555,195</b>	<b>278,342</b>	<b>5,571,247</b>	<b>18,079</b>
Value of collateral	2,201,843	195,720	1,946,124	332,870	4,676,557	665
<b>Public Sector</b>						
Strong credit quality	331,229				331,229	
Satisfactory credit quality	443,550	27,696			471,246	
Watch list (higher risk)						
Default			4,273	29,901	34,174	
<b>Carrying amount (before allowance for impairment losses)</b>	<b>774,779</b>	<b>27,696</b>	<b>4,273</b>	<b>29,901</b>	<b>836,649</b>	
Expected credit losses	(24,383)	(905)	(3,269)	(22,202)	(50,759)	
<b>Net Carrying Amount</b>	<b>750,396</b>	<b>26,791</b>	<b>1,004</b>	<b>7,699</b>	<b>785,890</b>	<b>-</b>
Value of collateral	130,057	23,407	1,920	10,610	165,994	

#### Off-balance sheet items by credit quality and IFRS 9 Stage

31.12.2018					
	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired (POCI)	Total
<b>Letters of guarantee, letters of credit and other guarantees</b>					
Strong credit quality	1,285,531				1,285,531
Satisfactory credit quality	991,196	198,752			1,189,948
Watch list (higher risk)	870,497	19,496			889,993
Default			324,843		324,843
<b>Carrying amount (before provision for impairment losses)</b>	<b>3,147,224</b>	<b>218,248</b>	<b>324,843</b>		<b>3,690,315</b>
Expected credit losses	(23,852)	(2,776)	(76,597)		(103,225)
<b>Net Carrying Amount</b>	<b>3,123,372</b>	<b>215,472</b>	<b>248,246</b>	<b>-</b>	<b>3,587,090</b>
Value of collateral of impaired letters of guarantees, letters of credit and other guarantees			34,512		34,512
<b>Undrawn loan agreements and credit limits</b>					
Strong credit quality	2,525,219	1,187		502	2,526,908
Satisfactory credit quality	621,249	16,302		301	637,852
Watch list (higher risk)	19,095	10,168		29	29,292
Default					
<b>Carrying amount (before provision for impairment losses)</b>	<b>3,165,563</b>	<b>27,657</b>		<b>832</b>	<b>3,194,052</b>
Expected credit losses	(1,417)	(63)		(1)	(1,481)
<b>Net Carrying Amount</b>	<b>3,164,146</b>	<b>27,594</b>	<b>-</b>	<b>831</b>	<b>3,192,571</b>
Value of collateral of impaired undrawn loan agreements and credit limits					

The value of the collaterals that relates to impaired exposures amounts to € 11,772,522.



**Ageing analysis of loans by IFRS 9 Stage and product line of loans**

		Loans measured at amortised cost													
		31.12.2018													
		Loans measured at fair value through profit or loss (FVPL)													
Retail lending	Corporate lending		Retail lending												
	Consumer	Large	SME's	Mortgage Loans			Consumer			Credit Cards			Total		
	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired loans (POCI)	Total	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired loans (POCI)	Total	Stage 1	Stage 2		Stage 3	Purchased or originated credit impaired loans (POCI)
Current	302,221	18,079	320,300	417,911	1,629,707	427,434	514,558	227,774	202,847	244,803	904,465	35,710	5,680	2,382	948,237
1-30 days	16,094		16,094	289,275	703,093	291,022	47,793	59,433	41,901	37,266	16,649	24,350	4,751	1,382	47,132
31-60 days				150,723	294,072	121,367		23,023	43,643	21,146		7,183	4,085	725	11,993
61-90 days				361,287	324,394	241,427		16,816	36,377	18,635		4,988	3,905	721	9,614
91-180 days				200,475		59,346			90,892	34,586			9,742	1,060	10,802
181-360 days				224,549		68,459			52,043	37,777			5,343	544	5,887
> 360 days	1,152	11	1,163	1,914,793		1,107,334			288,893	320,862			17,869	4,067	21,936
<b>Total</b>	<b>1,152</b>	<b>318,326</b>	<b>337,557</b>	<b>4,131,209</b>	<b>2,951,266</b>	<b>3,559,013</b>	<b>562,351</b>	<b>327,046</b>	<b>756,596</b>	<b>715,075</b>	<b>921,114</b>	<b>72,231</b>	<b>51,375</b>	<b>10,881</b>	<b>1,055,601</b>
Value of collaterals	1,152	267,235	269,052	3,793,301	2,494,142	2,168,569	178,534	43,366	277,834	449,035	61,274	1,765	17,154	3,091	83,284



31.12.2018																			
Loans measured at amortised cost																			
Corporate lending																			
Retail lending				Large				SME's				Public sector							
Small Business												Greece							
Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired loans (POCI)	Total	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired loans (POCI)	Total	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired loans (POCI)	Total	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired loans (POCI)	Total
405,193	412,544	469,152	101,709	1,388,598	7,073,144	466,518	492,919	117,085	8,149,666	3,354,996	207,069	502,278	92,038	4,156,381	747,725	26,791	602	6,392	781,510
16,276	60,534	20,794	6,108	103,712	186,603	77,635	134,162	6,227	404,627	138,197	18,442	157,433	14,694	328,766	2,671				2,671
	12,295	25,844	4,021	42,160		147,867	31,318	18,863	198,048		4,044	57,979	1,826	63,849					
	7,086	19,987	3,358	30,431		17,789	103,632	2,305	123,726		14,962	81,182	7,072	103,216			4		4
		49,002	4,076	53,078			3		3			23,692	1,729	25,421					
		70,580	3,630	74,210			12,462		12,462			33,176	6,024	39,200					18
		1,189,640	371,741	1,561,381			248,575	31,719	280,294			699,455	154,959	854,414			398	1,289	1,687
	<b>421,469</b>	<b>492,459</b>	<b>1,844,999</b>	<b>494,643</b>	<b>7,259,747</b>	<b>709,809</b>	<b>1,023,071</b>	<b>176,199</b>	<b>9,168,826</b>	<b>3,493,193</b>	<b>244,517</b>	<b>1,555,195</b>	<b>278,342</b>	<b>5,571,247</b>	<b>750,396</b>	<b>26,791</b>	<b>1,004</b>	<b>7,699</b>	<b>785,890</b>
Value of collaterals	306,139	322,536	1,482,774	374,998	2,486,447	3,411,027	1,500,859	246,172	5,575,517	2,201,842	195,720	1,946,124	332,870	4,676,556	130,057	23,407	1,920	10,610	165,994

**Reconciliation of loans by IFRS 9 stage**

The following table presents the movement in the loans measured at amortised cost by IFRS 9 Stage.

	<b>31.12.2018</b>															
	<b>Retail lending</b>						<b>Corporate lending and public sector</b>						<b>Total loans</b>			
	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired loans (POCI)	Total		Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired loans (POCI)	Total	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired loans (POCI)	Total
<b>Balance 1.1.2018</b>	<b>6,321,248</b>	<b>4,488,483</b>	<b>11,198,554</b>	<b>5,885,092</b>	<b>27,893,377</b>		<b>9,610,390</b>	<b>2,748,243</b>	<b>6,635,376</b>	<b>1,586,235</b>	<b>20,580,244</b>	<b>15,931,638</b>	<b>7,236,726</b>	<b>17,833,930</b>	<b>7,471,327</b>	<b>48,473,621</b>
Transfers to stage 1 from stage 2 or 3	1,270,251	(1,235,488)	(34,763)		-		2,592,370	(2,555,771)	(36,599)			-	3,791,259	(71,362)		-
Transfers to stage 2 from stage 1 or 3	(1,233,507)	2,166,582	(933,075)		-		(1,247,501)	1,457,676	(210,175)			-	3,624,258	(1,143,250)		-
Transfers to stage 3 from stage 1 or 2	(55,779)	(1,195,721)	1,251,500		-		(149,070)	(252,773)	401,843			-	(1,448,494)	1,653,343		-
New loans originated or purchased	176,951			6,303	183,254		3,278,117		2,574		3,280,691	3,455,068			8,877	3,463,945
Derecognition of loans	(221)	(1,753)	(4,875)	(551)	(7,400)		(114,420)	(69,535)	(27,183)	(37,070)	(248,208)	(114,641)	(71,288)	(32,058)	(37,621)	(255,608)
Changes due to modifications that did not result in loans' derecognition	(2,933)	(23,541)	(40,704)	(14,505)	(81,683)		(242)	(116)	(2,055)	(152)	(2,565)	(3,175)	(23,657)	(42,759)	(14,657)	(84,248)
Write-offs	(1,246)	(10,149)	(621,839)	(250,087)	(883,321)				(389,034)	(143,370)	(532,404)	(1,246)	(10,149)	(1,010,873)	(393,457)	(1,415,725)
Repayments, foreign exchange and other movements	(416,927)	(150,526)	137,641	51,617	(378,195)		(2,365,028)	(295,283)	(149,667)	(27,558)	(2,837,536)	(2,781,955)	(445,809)	(12,026)	24,059	(3,215,731)
Reclassification of loans to "Assets held for sale"	(348)	(1,121)	(643,974)	(425,873)	(1,071,316)		(3,405)		(734,060)	(205,580)	(943,045)	(3,755)	(1,121)	(1,378,034)	(631,453)	(2,014,361)
<b>Balance 31.12.2018</b>	<b>6,057,489</b>	<b>4,036,766</b>	<b>10,308,465</b>	<b>5,251,996</b>	<b>25,654,716</b>		<b>11,601,211</b>	<b>1,032,441</b>	<b>5,488,446</b>	<b>1,175,079</b>	<b>19,297,177</b>	<b>17,658,700</b>	<b>5,069,207</b>	<b>15,796,911</b>	<b>6,427,075</b>	<b>44,951,893</b>
Accumulated provision for impairment losses	(21,346)	(193,764)	(4,096,482)	(1,715,008)	(6,026,600)		(97,875)	(51,324)	(2,909,176)	(712,839)	(3,771,214)	(119,221)	(245,088)	(7,005,658)	(2,427,847)	(9,797,814)
<b>Balance of loans 31.12.2018</b>	<b>6,036,143</b>	<b>3,843,002</b>	<b>6,211,983</b>	<b>3,536,988</b>	<b>19,628,116</b>		<b>11,503,336</b>	<b>981,117</b>	<b>2,579,270</b>	<b>462,240</b>	<b>15,525,963</b>	<b>17,539,479</b>	<b>4,824,119</b>	<b>8,791,253</b>	<b>3,999,228</b>	<b>35,154,079</b>

"Repayments, foreign exchange and other movements" include an amount of €87,128 relating to loans for which the Bank, in the context of renegotiation of their terms, participated in agreements for the exchange of debt securities or loans with debtors' shares.

**Reconciliation of accumulated provision for impairment losses of loans by IFRS 9 stage**

The following table includes the movement in the accumulated provision for impairment losses of loans measured at amortised cost:

	Retail lending						Corporate lending and public sector						Total			
	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired loans (POCI)	Total	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired loans (POCI)	Total	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired loans (POCI)	Total	
<b>Changes in period 1.1 - 31.12.2018</b>																
Balance 01.01.2018	19,736	362,969	4,513,681	2,293,716	7,190,102	201,593	175,935	3,282,083	992,988	4,652,599	221,329	538,904	7,795,764	3,286,704	11,842,701	
Transfers to stage 1 from stage 2 or 3	110,834	(105,013)	(5,821)	-	-	141,202	(115,136)	(26,066)	-	-	252,036	(220,149)	(31,887)	-	-	
Transfers to stage 2 from stage 1 or 3	(8,670)	215,214	(206,544)	-	-	(15,011)	55,805	(40,794)	-	-	(23,681)	271,019	(247,338)	-	-	
Transfers to stage 3 from stage 1 or 2	(420)	(161,028)	161,448	-	-	(8,688)	(20,122)	28,810	-	-	(9,108)	(181,150)	190,258	-	-	
Net remeasurement of loss allowance (a)	(73,241)	11,178	33,316	(16,638)	(45,385)	(54,081)	(2,479)	101,547	(1,557)	43,430	(127,322)	8,699	134,863	(18,195)	(1,955)	
Impairment losses on new loans (b)	1,541	-	-	393	1,934	23,897	-	-	-	23,897	25,438	-	-	393	25,831	
Changes in risk parameters (c)	(27,302)	(118,647)	896,598	273,511	1,024,160	(82,817)	(40,512)	508,541	11,295	396,507	(110,119)	(159,159)	1,405,139	284,806	1,420,667	
<b>Impairment losses on loans (a) + (b) + (c)</b>	<b>(99,002)</b>	<b>(107,469)</b>	<b>929,914</b>	<b>257,266</b>	<b>980,709</b>	<b>(113,001)</b>	<b>(42,991)</b>	<b>610,088</b>	<b>9,738</b>	<b>463,834</b>	<b>(212,003)</b>	<b>(150,460)</b>	<b>1,540,002</b>	<b>267,004</b>	<b>1,444,543</b>	
Derecognition of loans	(2)	(87)	(765)	(84)	(938)	(538)	(3,113)	(12,642)	(28,319)	(44,612)	(540)	(3,200)	(13,407)	(28,403)	(45,550)	
Write-offs	(1,246)	(10,149)	(621,839)	(250,087)	(883,321)	-	-	(389,034)	(1,43,370)	(532,404)	(1,246)	(10,149)	(1,010,873)	(393,457)	(1,415,725)	
Foreign exchange and other movements	132	(24)	1,795	2,306	4,209	(107,532)	946	(59,231)	760	(165,057)	(107,400)	922	(57,436)	3,066	(160,848)	
Change in the present value of impairment losses	-	-	(69,024)	(184,383)	(253,407)	-	-	47,084	11,461	58,545	-	-	(21,940)	(172,922)	(194,862)	
Reclassification of accumulated provision for impairment losses to "Assets held for sale"	(16)	(649)	(606,363)	(403,726)	(1,010,754)	(150)	-	(531,122)	(130,419)	(661,691)	(166)	(649)	(1,137,485)	(534,145)	(1,672,445)	
<b>Balance 31.12.2018</b>	<b>21,346</b>	<b>193,764</b>	<b>4,096,482</b>	<b>1,715,008</b>	<b>6,026,600</b>	<b>97,875</b>	<b>51,324</b>	<b>2,909,176</b>	<b>712,839</b>	<b>3,771,214</b>	<b>119,221</b>	<b>245,088</b>	<b>7,005,658</b>	<b>2,427,847</b>	<b>9,797,814</b>	

"Foreign exchange and other movements" include an amount of €62,956 relating to the impairment of loans for which the Bank, in the context of renegotiation of their terms, participated in agreements for the exchange of debt securities or loans with debtors' shares.



In 2018, the expected credit risk losses have been affected by the following movements:

- Loans to large companies, SME's, and public sector amounting to € 2,592,370 were transferred from stage 2 or 3 to stage 1 due to the improvement of their creditworthiness compared to their initial recognition.
- Impairment losses of loans classified in Stage 3 were affected by:
  - incorporation in the calculation of Expected Credit Losses of sale transactions based on Bank's Business Plan and,
  - further deterioration of loans portfolios remaining in stage 3
- Last, loans amounting to € 1,415,726 were written off in 2018, resulting in a commensurate reduction in Expected Credit Losses. In addition loans that have been written off in 2018 but still subject to enforcement activities amounted to € 1,339,012.

### Reconciliation of off-balance sheet items by IFRS 9 Stage

Off-Balance Sheet items include undrawn loan commitments and letters of credit/letters of guarantee, the movement of which is shown below:

	Stage 1	Stage2	Stage 3	Purchased or originated credit impaired (POCI)	Total
<b>Balance 1.1.2018</b>	<b>5,904,241</b>	<b>536,172</b>	<b>387,726</b>	<b>1,109</b>	<b>6,829,248</b>
Transfer to Stage 1 from Stage 2 or 3	767,272	(747,966)	(19,306)		-
Transfer to Stage 2 from Stage 1 or 3	(567,831)	573,768	(5,937)		-
Transfer to Stage 3 from Stage 1 or 2	(8,376)	(21,957)	30,333		-
New off balance sheet items originated or purchased	253,612				253,612
Foreign exchange, repayments and other movements	(36,131)	(94,112)	(67,973)	(277)	(198,493)
<b>Balance 31.12.2018</b>	<b>6,312,787</b>	<b>245,905</b>	<b>324,843</b>	<b>832</b>	<b>6,884,367</b>
Accumulated allowance for impairment losses	(25,269)	(2,839)	(76,597)	(1)	(104,706)
<b>Balance Off-Balance sheet items 31.12.2018</b>	<b>6.287.518</b>	<b>243.066</b>	<b>248.246</b>	<b>831</b>	<b>6.779.661</b>

### Reconciliation of accumulated allowance of off-balance sheet items by IFRS 9 Stage

The Bank has recognized expected credit losses for the undrawn credit limits and letters of credit and letters of guarantee, the reconciliation of which is presented in the following table:

	Stage 1	Stage2	Stage 3	Purchased or originated credit impaired (POCI)	Total
<b>Changes in period 1.1. - 31.12.2018</b>					
<b>Balance 1.1.2018</b>	<b>17,993</b>	<b>4,583</b>	<b>102,846</b>	<b>1</b>	<b>125,423</b>
Transfer to Stage 1 from Stage 2 or 3	6,371	(4,662)	(1,709)	1	1
Transfer to Stage 2 from Stage 1 or 3	(663)	987	(324)		-
Transfer to Stage 3 from Stage 1 or 2	(216)	(579)	795		-
Net remeasurement of loss allowance (a)	(2,508)	2,567	7,816	3	7,878
Impairment losses on new off-balance sheet items (b)	471				471
Changes in risk parameters (c)	3,817	(59)	(32,905)	(3)	(29,150)
<b>Impairment losses on off-balance sheet items (a)+(b)+(c)</b>	<b>1,780</b>	<b>2,508</b>	<b>(25,089)</b>		<b>(20,801)</b>
Foreign exchange and other movements	4	2	78	(1)	83
<b>Balance 31.12.2018</b>	<b>25,269</b>	<b>2,839</b>	<b>76,597</b>	<b>1</b>	<b>104,706</b>





### Advances to customers

Advances to customers derive mainly from the Bank's commercial activity other than lending, including mainly receivables from letters of guarantee, receivables from credit cards and other receivables from banking activities. The calculation of expected credit losses for the receivables that are exposed to credit risk, is being performed using the simplified approach, taking into account their lifetime (without being allocated into stages) as provided by IFRS 9.

The expected credit loss rate applied by the Bank was determined based on the assessment of expected credit losses taking into account the time that the aforementioned receivables, which are mainly short-term, remain due.

Advances to customers as of 31.12.2018 amounted to € 180,103, while expected credit losses amounted to € 23,542, as at 31.12.2018.

The following table presents the reconciliation of advances to customers.

<b>Balance 1.1.2018</b>	<b>201,275</b>
Repayments, foreign exchange and other movements	(21,172)
<b>Balance 31.12.2018</b>	<b>180,103</b>
Accumulated allowance for impairment losses	(23,542)
<b>Balance of advances to customers 31.12.2018</b>	<b>156,561</b>

The reconciliation of accumulated allowance is presented below:

<b>Balance 1.1.2018</b>	<b>21,885</b>
Impairment losses on advances to customers	14,535
Foreign exchange, write-offs and other movements	(12,878)
<b>Balance 31.12.2018</b>	<b>23,542</b>



## PLEGDED COLLATERALS

Collaterals are received in order to mitigate credit risk that may arise from the obligor's inability to fulfill his contractual obligations.

Collaterals include all kind of assets and rights which are made available to the Bank either by their debtors or by third parties, in order to be used as complementary liquidity sources of relative loans.

The breakdown of collaterals and guarantees received to reduce the credit risk exposure is shown below:

### Breakdown of collaterals and guarantees

31.12.2018										
	Value of collateral									
	Loans measured at fair value through profit or loss(FVPL)					Loans measured at amortised cost				
	Real estate collateral	Financial collateral	Other collateral	Total value of collateral	Value of Guarantees	Real estate collateral	Financial collateral	Other collateral	Total value of collateral	Value of Guarantees
Retail lending			1,152	1,152		14,826,525	151,241	680,434	15,658,200	4,456,196
Corporate lending	89,282	870	177,748	267,900	17,918	4,945,074	1,446,180	3,860,820	10,252,074	3,950,504
Public secotr						39,927	3,930	122,137	165,994	50,235
<b>Total</b>	<b>89,282</b>	<b>870</b>	<b>178,900</b>	<b>269,052</b>	<b>17,918</b>	<b>19,811,526</b>	<b>1,601,351</b>	<b>4,663,391</b>	<b>26,076,268</b>	<b>8,456,935</b>

There are no cases of transfer or reassignment of collateral receive from borrowers, for which a return obligation has been recognised.

### Loan-to-value ratio (LTV) of mortgage lending

The loan-to-value ratio of loans reflects the relationship between the loan and the value of the property held as collateral.

The table below presents the mortgage loan portfolio, by LTV tari.

31.12.2018	
	Loans measured at amortised cost
< 50%	1,058,034
50% - 70%	1,451,704
71% - 80%	923,010
81% - 90%	956,781
91% - 100%	3,145,144
101% - 120%	1,850,255
121% - 150%	1,819,606
> 150%	4,078,359
<b>Total exposure</b>	<b>15,282,893</b>
Simple Avg LTV (%)	78



## REPOSSESSED ASSETS

### Policy of disposal of repossessed assets

Up to 2018, the Group had delegated to its subsidiary, the management of all its property, including the repossessed assets. Within 2018 the Group created a uniform management strategy for repossessed assets by setting up two new Committees and assigning to a different Group Company the management of all repossessed properties of the Bank and its Subsidiaries. When the Bank acquires the legal title of the property in the context of the management of non-performing exposures (NPEs), the respective company is in charge of monitoring the repossession procedures (asset on – boarding), determining the best property management strategy and assigning to the appropriate channels, within or outside the Group, the management of the properties.

Depending on the defined strategy, the property is classified for accounting purposes, in the appropriate category. The classification process is repeated periodically so that the classification of each property is updated based on its current status.

Finally, there is continuous supervision and co-ordination of collaborating asset management channels on the implementation of the defined strategies as well as of the asset commercialization in accordance with the Group's policy and monitoring of their performance through appropriate Key Performance Indicators (KPIs).

### Repossessed assets

	31.12.2018						
	Balance					Disposals during the year	
	Value of collaterals repossessed 31.12.2018	Of which in 2018	Accumulated impairment allowance 31.12.2018	Of which in 2018	Carrying amount of collaterals repossessed 31.12.2018	Net disposal value	Net gain/ (loss) on disposal
Real estate collateral	265,791	22,570	48,511	18,942	217,280	13,692	585
Other colatlral	4,947	4,910	-	-	4,947	1,644	185

The carrying amount of repossessed collaterals as of 31.12.2018, includes an amount of € 14,547 that relates to properties classified, as "Assets held for sale".



**Loans and Expected Credit Losses by IFRS 9 Stage industry and geographical region**

	31.12.2018															
	Greece					Other countries										
	Loans measured at amortised cost					Loans measured at amortised cost										
Loans measured at fair value through profit or loss (FVPL)	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired (POCI)	Carrying amount (before provision for impairment losses)	Expected credit losses	Net carrying amount	Loans measured at fair value through profit or loss (FVPL)	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired (POCI)	Carrying amount (before provision for impairment losses)	Expected credit losses	Net carrying amount	
Net amount	Net amount	Net amount	Net amount	Net amount	Net amount	Net amount	Net amount	Net amount	Net amount	Net amount	Net amount	Net amount	Net amount	Net amount	Net amount	Net amount
<b>Retail lending</b>	<b>1,152</b>	<b>6,006,736</b>	<b>4,014,377</b>	<b>10,276,845</b>	<b>5,228,197</b>	<b>25,526,155</b>	<b>6,006,862</b>	<b>19,519,293</b>	<b>50,750</b>	<b>22,388</b>	<b>31,621</b>	<b>23,801</b>	<b>128,560</b>	<b>19,740</b>	<b>108,820</b>	
Mortgages	4,088,236	2,978,209	5,129,223	2,975,758	15,171,426	2,310,449	12,860,977	44,405	21,292	30,028	15,741	111,466	14,567	96,899		
Consumer	1,152	562,653	379,220	1,735,691	1,244,218	3,921,782	1,568,859	2,352,923	4,090	246	473	7,322	12,131	3,986		
Credit cards		932,383	97,490	235,462	53,619	1,318,954	265,405	1,053,549	1,921	133	266	34	2,354	302		
Small Business		423,464	559,458	3,176,469	954,602	5,113,993	1,862,149	3,251,844	334	717	854	704	2,609	885		
<b>Corporate lending</b>	<b>1,45,418</b>	<b>8,141,964</b>	<b>623,270</b>	<b>5,295,941</b>	<b>1,068,876</b>	<b>15,130,051</b>	<b>3,569,527</b>	<b>11,560,524</b>	<b>2,684,472</b>	<b>381,476</b>	<b>188,230</b>	<b>76,300</b>	<b>3,330,478</b>	<b>150,926</b>	<b>3,179,552</b>	
Financial institutions	51,443	920,128	10,674	3,895	4,705	939,402	10,602	928,800	39,919	5,879	7,347		53,145	5,268		
Manufacturing	16,232	2,525,416	43,694	1,531,070	3,49,173	4,449,353	1,056,684	3,392,669	50,816			10,270	61,086	2,850		
Construction and real estate	1,991	972,346	318,448	797,569	191,470	2,279,833	616,623	1,663,210	46,766		44,732	14,631	106,129	34,248		
Wholesale and retail trade	9,205	1,686,675	86,814	1,903,781	302,335	3,979,605	1,238,390	2,741,215	19,678	36,362	2,967	3,766	62,773	4,789		
Transportation		187,701	3,847	106,815	2,580	300,943	55,905	245,038	48,073	87,352		71	135,496	4,017		
Shipping	56,115	36,306	15,133	14,606	26,601	92,646	3,871	88,775	1,066,034	217,292	108,797	8,709	1,400,832	56,322		
Hotels – Tourism		1,040,500	122,905	346,192	37,224	1,546,821	152,366	1,394,455	48,860			25,116	73,976	7,910		
Services and other sectors	10,432	772,892	21,755	592,013	154,788	1,541,448	435,086	1,106,362	1,364,326	34,591	24,387	13,737	1,437,041	35,522		
Public sector		774,778	27,696	4,274	29,901	836,649	50,759	785,890								
<b>Total</b>	<b>1,46,570</b>	<b>14,923,478</b>	<b>4,665,343</b>	<b>15,577,060</b>	<b>6,326,974</b>	<b>41,492,855</b>	<b>9,627,148</b>	<b>31,865,707</b>	<b>190,987</b>	<b>403,864</b>	<b>219,851</b>	<b>100,101</b>	<b>3,459,038</b>	<b>170,666</b>	<b>3,288,372</b>	

**Interest income from loans by loan category and IFRS 9 stage**

The following table presents the interest income from loans for the year 2018 by IFRS 9 Stage. For loans classified in Stages 1 and 2, interest income is calculated by applying the effective interest rate to the gross carrying amount of the loan.

For loans classified in Stage 3, interest income is calculated by applying the effective interest rate on the amortised cost of the loan (i.e. gross carrying amount after impairment), while for Purchased or Originated Credit Impaired loans (POCI) interest income is calculated by applying the adjusted effective interest rate to the amortised cost of the loan.

	31.12.2018					
	Loans measured at amortised cost					Loans measured at fair value through profit or loss (FVPL)
	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired loans (POCI)	Total	
Retail lending	316,584	240,142	347,993	142,167	1,046,887	76
Corporate lending	370,330	106,680	117,216	21,995	616,222	14,056
Public Sector	27,032	15,941	348	152	43,473	
<b>Total interest income</b>	<b>713,946</b>	<b>362,764</b>	<b>465,558</b>	<b>164,314</b>	<b>1,706,581</b>	<b>14,132</b>



## FORBORNE LOANS

The restructuring of loans is performed through renegotiation of the original contractual terms and include changes such as:

- Extension of the credit duration
- Write-off of a portion of debtor's amounts due
- Grace period for the principal and/or interests
- Decrease in interest rate

As a rule forbearance measures which are extended include a combination of the above amendments to the contractual terms.

In addition, in the context of renegotiations of the terms of loans granted, the Bank has participated in agreements for the exchange of debt securities or loans with debtors' shares. As at 31.12.2018, the Bank included in the portfolio measured at fair value through other comprehensive income shares with a fair value of € 30,149 which were acquired from similar transactions. The shares that have been classified as "Assets held for sale" concern SELONDA AQUACULTURE A.E.G.E., NIREUS AQUACULTURE S.A, FORTHNET S.A. and UNISOFT S.A. (Note 45).

### Analysis of forborne loans by type of forberance measure

	31.12.2018		
	Loans measured at fair value through profit or loss (FVPL)	Loans measured at amortised cost	Total
Interest only payment		191,944	191,944
Reduce payments scheme	14	5,101,118	5,101,132
Grace period	2,242	451,606	453,848
Loan term extension	3,144	3,825,030	3,828,174
Arrears capitalization	3,959	1,513,663	1,517,622
Partial write-off in borrower's obligations	56,117	312,569	368,686
Debt for equity transactions		47,558	47,558
Other	11,202	518,823	530,025
<b>Total net amount</b>	<b>76,678</b>	<b>11,962,311</b>	<b>12,038,989</b>

### Forborne loans by product line

	31.12.2018		
	Loans measured at fair value through profit or loss (FVPL)	Loans measured at amortised cost	Total
<b>Retail lending</b>	-	<b>9,419,219</b>	<b>9,419,219</b>
Mortgage		6,409,511	6,409,511
Consumer		1,423,907	1,423,907
Credit cards		51,582	51,582
Small business		1,534,219	1,534,219
<b>Corporate lending</b>	<b>76,678</b>	<b>2,509,244</b>	<b>2,585,922</b>
Large	66,916	1,358,122	1,425,038
SME's	9,762	1,151,122	1,160,884
<b>Public sector</b>	-	<b>33,848</b>	<b>33,848</b>
Greece		33,848	33,848
<b>Total net amount</b>	<b>76,678</b>	<b>11,962,311</b>	<b>12,038,989</b>

**Forborne loans by geographical region**

	31.12.2018		
	Loans measured at fair value through profit or loss (FVPL)	Loans measured at amortised cost	Total
Greece	67,123	11,498,023	11,565,146
Other counties	9,555	464,288	473,843
<b>Total net amount</b>	<b>76,678</b>	<b>11,962,311</b>	<b>12,038,989</b>

**Forborne loans according to their credit quality**

	31.12.2018		
	Total amount of Loans	Total amount of Forborne Loans	Percentage of Forborne Loans (%)
<b>Loans measured at fair value through profit or loss (FVPL)</b>			
Past due	17,257	1,246	7
Non past due	320,300	75,432	24
<b>Total net carrying amount</b>	<b>337,557</b>	<b>76,678</b>	<b>23</b>
Value of collateral	269,052	63,496	24
<b>Loans measured at amortised cost</b>			
Stage 1	17,658,700		
Stage 2	5,069,207	4,276,330	84
Stage 3	15,796,911	8,818,389	56
Purchased or originated credit impaired loans (POCI)	6,427,075	3,632,309	57
<b>Carrying amount (before provision for impairment losses)</b>	<b>44,951,893</b>	<b>16,727,028</b>	<b>37</b>
Stage 1- Accumulated provision for impairment losses	119,220	-	
Stage 2- Accumulated provision for impairment losses	245,088	196,192	80
Stage 3- Accumulated provision for impairment losses	7,005,658	3,425,589	49
Accumulated provision for impairment losses for Purchased or originated credit impaired loans (POCI)	2,427,847	1,142,936	47
<b>Total net carrying amount</b>	<b>35,154,080</b>	<b>11,962,311</b>	<b>34</b>
Value of collateral	26,076,268	10,004,254	38

**Reconciliation of forborne loans**

	Forborne loans (Net Value):		
	Loans measured at fair value through profit or loss (FVPL)	Loans measured at amortised cost	Total
<b>Balance 1.1.2018</b>	<b>237,172</b>	<b>11,847,757</b>	<b>12,084,929</b>
Forbearance measures during the year		1,674,239	1,674,239
Interest income	5,426	454,114	459,540
Repayment of loans (partial or total)	(8,631)	(532,448)	(541,079)
Loans that exited forbearance status during the year	(93,131)	(737,448)	(830,579)
Impairment losses		(487,785)	(487,785)
Disposal of forborne loans		(4,943)	(4,943)
Remeasurement of fair value	(41,309)		(41,309)
Reclassification of loans to "Assets held for sale"	(25,645)	(147,833)	(173,478)
Other movements	2,796	(103,342)	(100,546)
<b>Balance 31.12.2018</b>	<b>76,678</b>	<b>11,962,311</b>	<b>12,038,989</b>



**Other financial instruments subject to credit risk – analysis per rating**

The following table presents other financial assets measured at amortised cost and at fair value through other comprehensive income as at 31.12.2018 by IFRS 9 Stage and credit rating.

	31.12.2018				
	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired loans (POCI)	Total
<b>Balances with Central Banks</b>					
AAA	93,000				93,000
AA+ to AA-					-
A+ to A-					-
BBB+ to BBB-					-
Lower than BBB-	308,490				308,490
Unrated					-
<b>Carrying amount (before allowance for impairment losses)</b>	<b>401,490</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>401,490</b>
Expected credit losses					-
<b>Net carrying amount</b>	<b>401,490</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>401,490</b>
Value of collateral					
<b>Due from banks</b>					
AAA					-
AA+ to AA-	515,132				515,132
A+ to A-	790,672				790,672
BBB+ to BBB-	559,132				559,132
Lower than BBB-	714,249				714,249
Unrated	51,313		69,961		121,274
<b>Carrying amount (before allowance for impairment losses)</b>	<b>2,630,498</b>	<b>-</b>	<b>69,961</b>	<b>-</b>	<b>2,700,459</b>
Expected credit losses	(5,312)		(69,961)		(75,273)
<b>Net carrying amount</b>	<b>2,625,186</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,625,186</b>
Value of collateral					
<b>Securities measured at fair value through other comprehensive income</b>					
AAA	92,484				92,484
AA+ to AA-	721,150				721,150
A+ to A-	155,599				155,599
BBB+ to BBB-	711,270				711,270
Lower than BBB-	3,934,326	9,157			3,943,483
Unrated	53,553				53,553
<b>Carrying amount (before allowance for impairment losses)</b>	<b>5,668,382</b>	<b>9,157</b>	<b>-</b>	<b>-</b>	<b>5,677,539</b>
Expected credit losses	(54,857)	(241)			(55,098)
<b>Net carrying amount</b>	<b>5,613,525</b>	<b>8,916</b>	<b>-</b>	<b>-</b>	<b>5,622,441</b>
Value of collateral					



### Trading portfolio - Derivative financial assets - Securities measured at fair value through profit or loss - analysis per rating

The following table presents other financial instruments measured through profit or loss per credit rating.

	2018
<b>Trading securities</b>	
AAA	
AA+ to AA-	
A+ to A-	
BBB+ to BBB-	
Lower than BBB-	6,669
Unrated	
<b>Net carrying amount</b>	<b>6,669</b>
Value of collateral	
<b>Derivative financial assets</b>	
AAA	
AA+ to AA-	48,051
A+ to A-	152,958
BBB+ to BBB-	48,039
Lower than BBB-	478,057
Unrated	3,110
<b>Net carrying amount</b>	<b>730,215</b>
Value of collateral	
<b>Securities measured at Fair Value through profit or loss</b>	
AAA	
AA+ to AA-	
A+ to A-	
BBB+ to BBB-	
Lower than BBB-	173,644
Unrated	2,047
<b>Net carrying amount</b>	<b>175,691</b>
Value of collateral	

**DUE FROM BANKS**

The following table presents Due from Banks by IFRS 9 Stage as of 31.12.2018.

	31.12.2018				
	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired Receivables (POCI)	Total
<b>Balance 31.12.2018</b>					
Carrying amount (before allowance for impairment losses)	2,630,498		69,961		2,700,459
Expected credit losses	(5,312)		(69,961)		(75,273)
<b>Net carrying amount</b>	<b>2,625,186</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,625,186</b>

**Investment securities measured at fair value through other comprehensive income**

The following table presents the analysis by IFRS 9 Stages and issuer's category as of 31.12.2018:

	31.12.2018				
	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired securitites (POCI)	Total
<b>Greek Government Bonds:</b>					
Expected credit losses	(48.244)				(48.244)
Fair Value	3.462.440				3.462.440
<b>Other Government Bonds:</b>					-
Expected credit losses	(199)				(199)
Fair Value	704.750				704.750
<b>Other securities:</b>					-
Expected credit losses	(6.414)	(241)			(6.655)
Fair Value	1.446.335	8.916			1.455.251
<b>Total securities measured at fair value through other comprehensive income</b>					-
<b>Expected credit losses</b>	<b>(54.857)</b>	<b>(241)</b>	<b>-</b>	<b>-</b>	<b>(55.098)</b>
<b>Fair Value</b>	<b>5.613.525</b>	<b>8.916</b>	<b>-</b>	<b>-</b>	<b>5.622.441</b>

**Reconciliation of other financial assets (except loans) before allowance for impairment losses by IFRS 9 Stage**

The table below presents the movement of the carrying amount before allowance for impairment losses of due from banks and the movement of the fair value of investment securities at fair value through other comprehensive income, including the expected credit losses, by IFRS 9 Stage.

31.12.2018										
	Due from banks					Investment securities measured at fair value through other comprehensive income				
	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired (POCI)	Total	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired (POCI)	Total
<b>Balance 1.1.2018</b>	<b>2,227,791</b>		<b>69,961</b>		<b>2,297,752</b>	<b>4,636,454</b>	<b>28,832</b>			<b>4,665,286</b>
Transfer to Stage 1 from Stage 2 or 3					-	235	(235)			-
Transfer to Stage 2 from Stage 1 or 3					-					-
Transfer to Stage 3 from Stage 1 or 2					-					-
New financial assets originated or purchased	4,999,483				<b>4,999,483</b>	6,009,069				<b>6,009,069</b>
Derecognition of financial assets					-	(2,934,653)	(20,646)			<b>(2,955,299)</b>
Interest on carrying amount before impairment					-	129,922	1,037			<b>130,959</b>
Changes due to modifications that did not result in derecognition					-					-
Write-offs					-					-
Repayments, foreign exchange and other movements	(4,596,776)				<b>(4,596,776)</b>	(2,227,502)	(72)			<b>(2,227,574)</b>
<b>Balance 31.12.2018</b>	<b>2,630,498</b>	-	<b>69,961</b>	-	<b>2,700,459</b>	<b>5,613,525</b>	<b>8,916</b>	-	-	<b>5,622,441</b>



### Reconciliation of the accumulated impairment allowance

The table below presents the movement of the accumulated impairment of due from banks and investment securities measured at fair value through other comprehensive income by IFRS 9 stage.

31.12.2018										
	Due from banks					Investment securities measured at fair value through other comprehensive income				
	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired (POCI)	Total	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired (POCI)	Total
<b>Balance 1.1.2018</b>	<b>14,674</b>		<b>69,961</b>		<b>84,635</b>	<b>85,169</b>	<b>3,099</b>			<b>88,268</b>
Transfer to Stage 1 from Stage 2 or 3						13	(13)			-
Transfer to Stage 2 from Stage 1 or 3										-
Transfer to Stage 3 from Stage 1 or 2										-
Net remeasurement of loss allowance (a)					-	(3)				(3)
Impairment losses on new receivables/ securities (b)	1,284				<b>1,284</b>	45,658				<b>45,658</b>
Changes in risk parameters (c)	(10,646)				<b>(10,646)</b>	(40,398)	(1,790)			<b>(42,188)</b>
<b>Impairment losses on receivables/ securities (a)+(b)+(c)</b>	<b>(9,362)</b>				<b>(9,362)</b>	<b>5,257</b>	<b>(1,790)</b>			<b>3,467</b>
Derecognition of financial assets						(35,582)	(1,055)			<b>(36,637)</b>
Foreign exchange and other movements										
<b>Balance 31.12.2018</b>	<b>5,312</b>	<b>-</b>	<b>69,961</b>	<b>-</b>	<b>75,273</b>	<b>54,857</b>	<b>241</b>	<b>-</b>	<b>-</b>	<b>55,098</b>

An additional impairment charge of € 184 has been recognized in the income statement in Stage 1, regarding new securities measured at fair value through other comprehensive income purchased before 31.12.2018 and settled after 31.12.2018.



The following tables present the financial instruments exposed to credit risk by sectors of the counterparties.

## Financial instruments credit risk

### Analysis by industry sector

31.12.2018											
	Financial Institutions and other financial services	Manufacturing	Construction & Real Estate	Wholesale and retail trade	Public sector Government securities	Transportation	Shipping	Hotels-Tourism	Services and other sectors	Retail lending	Total
<b>Credit risk exposure relating to balance sheet items:</b>											
Balances with Central Banks	401,490										401,490
Due from banks	2,700,459										2,700,459
Loans and advances to customers	1,054,353	4,534,987	2,418,138	4,051,582	836,649	469,976	1,658,178	1,620,798	3,072,179	25,752,713	45,469,553
Derivative financial assets	185,026	8,999	78,676	15,187	429,309	39	540	8,486	3,952	1	730,215
Trading securities					6,669						6,669
Securities measured at fair value through other comprehensive income	175,690								1		175,691
Securities measured at fair value through profit or loss	1,240,312	115,266	337	29,613	4,215,632				76,379		5,677,539
Assets held for sale - Loans portfolio		3,200	76,369								79,569
<b>Total amount of balance sheet items exposed to credit risk (a)</b>	<b>5,757,330</b>	<b>4,662,452</b>	<b>2,573,520</b>	<b>4,096,382</b>	<b>5,488,259</b>	<b>470,015</b>	<b>1,658,718</b>	<b>1,629,284</b>	<b>3,152,511</b>	<b>25,752,714</b>	<b>55,241,185</b>
Other balance sheet items not exposed to credit risk	3,580,634	307	148,135					2,200	8,075,345		11,806,621
<b>Total assets</b>	<b>9,337,964</b>	<b>4,662,759</b>	<b>2,721,655</b>	<b>4,096,382</b>	<b>5,488,259</b>	<b>470,015</b>	<b>1,658,718</b>	<b>1,631,484</b>	<b>11,227,856</b>	<b>25,752,714</b>	<b>67,047,806</b>
<b>Credit risk exposure relating to off-balance sheet items:</b>											
Letters of guarantee, letters of credit and other guarantees	830,980	429,409	1,100,603	525,801	114,732	77,626	8,313	70,686	450,770	65,853	3,674,773
Undrawn loan agreements and credit limits	148,642	551,163	51,734	459,955	7,322	19,300	4,529	60,592	116,625	1,774,190	3,194,052
Guarantees provided for bonds issued by Bank's subsidiaries	15,542										15,542
<b>Total amount of off-balance sheet items exposed to credit risk (b)</b>	<b>995,164</b>	<b>980,572</b>	<b>1,152,337</b>	<b>985,756</b>	<b>122,054</b>	<b>96,926</b>	<b>12,842</b>	<b>131,278</b>	<b>567,395</b>	<b>1,840,043</b>	<b>6,884,367</b>
<b>Total credit risk exposure (a+b)</b>	<b>6,752,494</b>	<b>5,643,024</b>	<b>3,725,857</b>	<b>5,082,138</b>	<b>5,610,313</b>	<b>566,941</b>	<b>1,671,560</b>	<b>1,760,562</b>	<b>3,719,906</b>	<b>27,592,757</b>	<b>62,125,552</b>



## COMPARATIVES

Credit risk disclosures as at 31.12.2017 and for the year 2017 have been prepared using exposures measured in accordance with IAS 39.

The main differences between IAS 39 and IFRS 9 relate to the following:

- the definition of impaired exposures and
- the calculation of impairments which according to IAS 39, was based on incurred credit losses, while the IFRS 9 requires the recognition of Expected Credit Losses.

Based on IAS 39, impaired loans were defined as follows:

- a) Exposures for which an impairment amount has been allocated following the individual assessment for impairment;
- b) Exposures in arrears more than 90 days or under legal workout status, for which an impairment amount has been allocated following the collective assessment for impairment;
- c) Unlikely to pay exposures; and
- d) Forborne Non Performing Exposures that are up to 89 days past due.

IAS 39 required the recognition of credit risk losses when losses have occurred. The main highlights of the impairment policy based on IAS 39 methodology are the following:

### Wholesale banking

The Bank assesses whether objective evidence for individual assessment for impairment exists. Significant loans are assessed individually if one of the following conditions are met:

- Clients that are experiencing or about to experience difficulties in meeting their financial commitments and credit obligations ("financial difficulty").
- Clients with credit risk rating D, D0, D1, D2 and E.
- Clients with credit risk rating CC- and C.
- Significant deterioration in the industry outlook in which the borrower operates taking into account the five sectors that have had the worst deterioration on an annual basis, according to the high risk sectors' segmentation .
- Derogatory items including but not limited to : payment orders, bounced cheques, auctions, bankruptcies, overdue payments to the State, to Social Security Funds, or to employees.
- Occurrence of unexpected, extreme events such as natural disasters, fraud, etc.
- Interventions and actions by regulatory bodies/local authorities against the borrower (e.g. Athens Stock Exchange, Hellenic Capital Market Commission).
- Breach of contractual terms and conditions.
- Adverse changes in the shareholders' structure or the management of the company or serious management issues/problems.
- Significant adverse changes in cash flows potentially due to ceased cooperation with a key/major customer, significant reduction in demand of a main product or service, ceased cooperation with a key/major supplier or suppliers cut credit, etc.
- Significant deterioration of financial ratios of the obligor (Reduction of equity due to losses, debt ratio etc) and of estimated future cash flows of the obligor.

Exposures that have been individually assessed and were found not to be impaired on an individual basis are subsequently assessed for impairment on a collective basis, and are grouped in pools based on common credit risk characteristics.

Collective assessment is performed for exposures as follows:

- Exposures that have been individually assessed and were found not to be impaired on an individual basis -the impairment allowance estimated was zero- are subsequently assessed for impairment on a collective basis, and are grouped in pools based on common credit risk characteristics.



- Exposures with no impairment triggers and therefore are assessed collectively in pools formed based on similar credit risk characteristics.

### **Retail Banking**

For provision purposes, under collective assessment, loans are separated based on similar credit risk characteristics. These characteristics are selected based on the future cash flows of the abovementioned Retail Banking loan categories which depict customers' ability to repay their debts according to the contractual agreements. Loss Rate is calculated based on credit risk characteristics of the segment and portfolio in which the facility or the customer belongs to. The Loss Rate is determined with statistical methods.

### **Collective Assessment**

The specific trigger events for the collective assessment for the Retail Banking portfolios are the following:

- Accounts up to 89 days past due with or without signs of unlikeliness to pay;
- Accounts more than 90 days past due;
- Forborne exposures; and
- Accounts with partial write off.

Trigger events have also been determined for the individual assessment of Retail Banking portfolio.

Detailed analysis of the methodology applied in calculating impairment and the relevant definitions prevailed are presented in note 38.1 in the Bank's Financial Statements as at 31.12.2017.

### **DUE FROM BANKS**

Exposure to credit institutions relates to loans, interbank transactions (which include positions in derivatives) and International Trade activities. Following the basic rules of designation, monitoring and revision of corporate lending, boundaries are established by the relevant Credit Committees for the monitoring of credit risk for the overall exposure per credit institution counterparty, excluding positions related to bonds issued by them. The approved credit limits are monitored on a daily basis. The validity period of the limits is specified in the approval of the limits in accordance with the counterparty credit institutions rating from international credit rating agencies.

In addition to the regular revisions of counterparty credit institutions limits, interim revisions may be carried out either due to circumstances associated with the trading activity of the Bank or due to markets conditions or problems associated with counterparty credit institutions. Trigger events for an extraordinary review are regularly monitored per counterparty in order to review the relevant limits when such trigger events exist.

In addition, at each reporting date an impairment test is performed as follows:

1. The respective credit institutions are separated to be tested for impairment.
2. Due from Banks will be evaluated individually by credit institution.
3. Credit institutions are reviewed for events that constitute objective evidence for impairment.
4. Impairment provisions per receivable are calculated, as the difference between the recoverable amount and the carrying amount of the claim on an individual basis for the credit institution for which there are objective evidences for impairment.

### **INVESTMENTS IN DEBT SECURITIES**

Investments in debt securities relate to securities that are classified into loans and receivables portfolios, held to maturity and available for sale. If there is a loan relationship with the counterparty issuer at the time of classification of the security position as investment, the Corporate Credit Policy procedures apply. In each case, the classification of the position is subject for approval by the relevant Committee of the Bank. These positions are subject to Bank investment limits and country limits and are monitored on a daily basis.





In addition, at each reporting date an impairment test is performed as follows:

1. The respective securities are separated to be tested for impairment individually.
2. Securities are reviewed for events that constitute objective evidence for impairment losses.
3. Impairment provisions are calculated on an individual basis per each security, for which there are objective evidence that impairment losses exist, as: a) the difference between the present value of future cash flows and the carrying amount of securities that are classified into loans and receivables portfolio and held to maturity and b) the difference between acquisition costs and current fair value, less the impairment loss which has already been recognized in income statement for securities classified as available for sale.

**FINANCIAL INSTRUMENTS CREDIT RISK**

The maximum credit risk per category, in which the Bank is exposed, is depicted in the “Net exposure to credit risk”.

	31.12.2017		
	Exposure before impairment	Impairment	Net exposure exposed to credit risk
<b>Credit risk exposure relating to balance sheet items</b>			
Balances with central Banks	467,234		467,234
Due from Banks	2,269,752	41,961	2,227,791
Loans and advances to customers	49,473,029	10,951,893	38,521,136
Derivative financial assets	628,133		628,133
Trading securities:			
- Government bonds	5,969		5,969
<b>Total</b>	<b>5,969</b>	<b>-</b>	<b>5,969</b>
Available for sale securities:			
Available for sale (Government bonds)	3,605,868		3,605,868
Available for sale (other)	1,214,186		1,214,186
<b>Total</b>	<b>4,820,054</b>	<b>-</b>	<b>4,820,054</b>
Held to maturity securities:			
- Held to maturity (other)	319		319
<b>Total</b>	<b>319</b>	<b>-</b>	<b>319</b>
Assets held for sale - Loans and receivables	1,133,643	975,542	158,101
<b>Total</b>	<b>1,133,643</b>	<b>975,542</b>	<b>158,101</b>
<b>Total amount of balance sheet items exposed to credit risk (a)</b>	<b>58,798,133</b>	<b>11,969,396</b>	<b>46,828,737</b>
Other balance sheet items not exposed to credit risk	10,410,684	1,384,723	9,025,961
<b>Total Assets</b>	<b>69,208,817</b>	<b>13,354,119</b>	<b>55,854,698</b>
<b>Credit risk exposure relating to off balance sheet items:</b>			
Letters of guarantee, letters of credit and other guarantees	3,599,514	11,712	3,587,802
Guarantees provided for bonds issued by Bank's subsidiaries	15,542		15,542
<b>Total amount of off balance sheet items exposed to credit risk (b)</b>	<b>3,615,056</b>	<b>11,712</b>	<b>3,603,344</b>
<b>Total credit risk exposure (a+b)</b>	<b>62,413,189</b>	<b>11,981,108</b>	<b>50,432,081</b>



## LOANS AND ADVANCES TO CUSTOMERS

The accumulated provision for impairment, for disclosure purposes of credit risk as well as for the monitoring of credit risk, includes the adjustment for the contractual loans which were acquired at fair value during the acquisition of assets or companies (i.e. Emporiki Bank and Citibank's retail operations in Greece), since the Bank monitors the respective adjustment as part of the provisions. It is noted that in note 19 "Loans and Advances to customers", this adjustment is deducted from the gross balance of loans before impairment.

### Loans and advances to customers by asset quality - (impaired or not impaired - impairment allowance - value of collateral)

31.12.2017									
	Non impaired Loans and Advances		Impaired Loans and Advances		Total gross amount	Accumulated Impairment Allowance		Total net amount	Value of collateral
	Neither past due nor impaired	Past due but not impaired	Individually assessed	Collectively assessed		Individually assessed	Collectively assessed		
<b>Retail lending</b>	<b>9,299,227</b>	<b>2,550,150</b>	<b>236,802</b>	<b>16,034,983</b>	<b>28,221,162</b>	<b>151,507</b>	<b>6,387,245</b>	<b>21,582,410</b>	<b>17,336,155</b>
Mortgage	6,291,691	2,163,659	139,685	7,613,995	16,209,030	83,026	2,674,309	13,451,695	12,855,349
Consumer	1,099,741	191,185	97,117	3,108,102	4,496,145	68,481	1,412,924	3,014,740	1,125,985
Credit cards	1,079,771	83,743		429,298	1,592,812		264,207	1,328,605	90,414
Small Business	828,024	111,563		4,883,588	5,823,175		2,035,805	3,787,370	3,264,407
<b>Corporate lending</b>	<b>11,241,379</b>	<b>605,511</b>	<b>7,965,949</b>	<b>409,159</b>	<b>20,221,998</b>	<b>4,042,450</b>	<b>323,576</b>	<b>15,855,972</b>	<b>10,964,145</b>
Large	7,751,211	442,242	3,191,794	17,907	11,403,154	1,596,933	128,674	9,677,547	5,692,485
SME's	3,490,168	163,269	4,774,155	391,252	8,818,844	2,445,517	194,902	6,178,425	5,271,660
<b>Public sector</b>	<b>1,087,489</b>	<b>909</b>	<b>40,202</b>	<b>1,269</b>	<b>1,129,869</b>	<b>28,934</b>	<b>18,181</b>	<b>1,082,754</b>	<b>295,394</b>
Greece	1,034,442	909	40,202	1,269	1,076,822	28,934	16,586	1,031,302	295,394
Other countries	53,047				53,047		1,595	51,452	
<b>Total</b>	<b>21,628,095</b>	<b>3,156,570</b>	<b>8,242,953</b>	<b>16,445,411</b>	<b>49,473,029</b>	<b>4,222,891</b>	<b>6,729,002</b>	<b>38,521,136</b>	<b>28,595,694</b>

The accumulated impairment allowance for collectively assessed loans and advances includes an amount of € 532,529 at 31.12.2017 concerning IBNR provisions.

The impaired loans and advances to customers of retail lending include as at 31.12.2017 forborne loans with up to 89 days past due collectively assessed, amounting to € 4,184,053.

### Analysis of neither past due nor impaired loans and advances to customers

31.12.2017					
	Strong	Satisfactory	Watch list (higher risk)	Total neither past due nor impaired	Value of collateral
<b>Retail lending</b>		<b>9,299,227</b>		<b>9,299,227</b>	<b>6,424,307</b>
Mortgage		6,291,691		6,291,691	5,560,272
Consumer		1,099,741		1,099,741	207,730
Credit cards		1,079,771		1,079,771	57,300
Small Business		828,024		828,024	599,005
<b>Corporate lending</b>	<b>4,630,305</b>	<b>5,589,869</b>	<b>1,021,205</b>	<b>11,241,379</b>	<b>5,653,941</b>
Large	4,071,945	2,952,306	726,960	7,751,211	3,425,595
SME's	558,360	2,637,563	294,245	3,490,168	2,228,346
<b>Public sector</b>	<b>340,764</b>	<b>746,231</b>	<b>494</b>	<b>1,087,489</b>	<b>277,607</b>
Greece	340,764	693,184	494	1,034,442	277,607
Other countries		53,047		53,047	
<b>Total</b>	<b>4,971,069</b>	<b>15,635,327</b>	<b>1,021,699</b>	<b>21,628,095</b>	<b>12,355,855</b>



## Ageing analysis of past due but not impaired loans and advances to customers by product line

31.12.2017									
	Retail lending				Corporate lending		Public sector		Total past due but not impaired
	Mortgage	Consumer	Credit cards	Small Business	Large	SMEs	Greece	Other countries	
1 - 29 days	1,452,789	125,184	65,470	85,995	351,247	132,475	901		2,214,061
30 - 59 days	390,467	46,844	12,141	14,286	23,266	17,616	8		504,628
60 - 89 days	320,403	19,157	6,132	11,282	67,729	13,178			437,881
90 - 179 days									
180 - 360 days									
> 360 days									
<b>Total</b>	<b>2,163,659</b>	<b>191,185</b>	<b>83,743</b>	<b>111,563</b>	<b>442,242</b>	<b>163,269</b>	<b>909</b>		<b>3,156,570</b>
Value of collateral	1,817,099	30,144	1,147	72,750	294,760	122,448	8		2,338,356

## Ageing analysis of impaired loans and advances to customers by product line

31.12.2017									
	Retail lending				Corporate lending		Public sector		Total
	Mortgage	Consumer	Credit cards	Small Business	Large	SMEs	Greece	Other countries	
Current	612,496	463,072	56,531	513,641	710,729	778,360	7,877		3,142,706
1 - 29 days	403,464	159,988	23,951	55,601	494,155	157,423	136		1,294,718
30 - 59 days	260,847	154,849	16,450	50,119	46,080	64,943	1,206		594,494
60 - 89 days	522,961	88,203	13,151	33,426	99,738	37,617			795,096
90 - 179 days	146,474	97,136	23,966	80,300	10,304	36,175			394,355
180 - 360 days	139,809	149,081	15,863	76,303	21,444	49,619	52		452,171
> 360 days	3,149,211	669,693	24,007	2,064,863	286,691	1,458,568	2,427		7,655,460
<b>Total net amount</b>	<b>5,235,262</b>	<b>1,782,022</b>	<b>173,919</b>	<b>2,874,253</b>	<b>1,669,141</b>	<b>2,582,705</b>	<b>11,698</b>		<b>14,329,000</b>
Value of collateral	5,477,978	888,111	31,967	2,592,652	1,972,130	2,920,866	17,779		13,901,483



## Reconciliation of impaired loans and advances by product line

31.12.2017									
	Retail lending				Corporate lending		Public sector		Total
	Mortgage	Consumer	Credit cards	Small Business	Large	SMEs	Greece	Other countries	
<b>Balance 1.1.2017</b>	<b>7,655,203</b>	<b>3,841,176</b>	<b>495,422</b>	<b>5,683,221</b>	<b>4,030,366</b>	<b>5,660,273</b>	<b>41,924</b>	<b>-</b>	<b>27,407,585</b>
New impaired loans	775,961	373,068	56,268	314,943	301,496	415,077	733		2,237,546
Transfer to non-impaired loans	(340,958)	(145,462)	(6,560)	(189,555)	(33,878)	(114,069)			(830,482)
Repayments and recoveries from collaterals	(58,947)	(53,440)	(14,403)	(48,894)	(284,643)	(199,191)	(578)		(660,096)
Write-offs of impaired loans	(268,369)	(526,247)	(26,211)	(388,293)	(459,452)	(583,250)	(608)		(2,252,430)
Foreign exchange differences and other movements	(9,210)	66,791		(22,686)	(115,973)	(12,985)			(94,063)
Disposal of impaired loans					(55,822)				(55,822)
Loans classified as held for sale		(350,667)	(75,218)	(465,148)	(172,393)	(448)			(1,063,874)
<b>Balance 31.12.2017</b>	<b>7,753,680</b>	<b>3,205,219</b>	<b>429,298</b>	<b>4,883,588</b>	<b>3,209,701</b>	<b>5,165,407</b>	<b>41,471</b>		<b>24,688,364</b>
Accumulated impairment allowance	(2,518,418)	(1,423,197)	(255,379)	(2,009,335)	(1,540,560)	(2,582,702)	(29,773)		(10,359,364)
<b>Net amount of impaired loans and advances</b>	<b>5,235,262</b>	<b>1,782,022</b>	<b>173,919</b>	<b>2,874,253</b>	<b>1,669,141</b>	<b>2,582,705</b>	<b>11,698</b>		<b>14,329,000</b>

## Reconciliation of the accumulated impairment allowance

31.12.2017				
	Retail lending	Corporate lending	Public sector	Total
<b>Balance 1.1.2017</b>	<b>5,912,798</b>	<b>4,444,360</b>	<b>28,198</b>	<b>10,385,356</b>
Impairment losses for the year	935,107	(122,385)	(2,830)	809,892
Reclassification to assets held for sale	(663,724)	(52,074)		(715,798)
Disposals of impaired loans		(12,565)		(12,565)
Change in present value of the allowance account	85,475	82,478	1,125	169,078
Foreign exchange differences	(2,871)	(18,666)	226	(21,311)
Loans written-off during the year	(1,094,061)	(657,907)	(124)	(1,752,092)
Reclassification between portfolios	33,207	(33,207)		-
Other movements	121,510	(203,438)		(81,928)
<b>Balance 31.12.2017</b>	<b>5,327,441</b>	<b>3,426,596</b>	<b>26,595</b>	<b>8,780,632</b>
Fair value adjustments	1,211,311	939,430	20,520	2,171,261
<b>Balance 31.12.2017</b>	<b>6,538,752</b>	<b>4,366,026</b>	<b>47,115</b>	<b>10,951,893</b>

**Loan-to-value ratio (LTV) of mortgage lending**

	<b>31.12.2017</b>
	<b>Mortgages</b>
< 50%	1,113,204
50% - 70%	1,560,129
71% - 80%	1,034,176
81% - 90%	1,049,830
91% - 100%	3,419,395
101% - 120%	1,901,570
121% - 150%	1,899,588
> 150%	4,231,138
<b>Total exposure</b>	<b>16,209,030</b>
Simple average LTV (%)	78



## REPOSSESSED COLLATERALS

### Policy of disposal of repossessed assets

The Bank has assigned to a subsidiary of the Group the management of repossessed assets of Bank and Group's subsidiaries. When a Group company acquires, due to the debtor's default, the legal title of property which had been given as collateral for the respective asset, then the respective company is in charge of legal, accounting and tax settlement of property in cooperation with the competent Bank's division and in parallel, performs a valuation of the asset. Taking into account the characteristics of the asset and based on the market conditions, it assesses the ability of promoting it for sale or leasing. Based on the above assessment, a proposal is submitted to the responsible Committee, which decides the sale or leasing of the assets or their own use from a Group company. Based on the decision, the asset is classified into the suitable category for reporting purposes. Classification of assets is reassessed on a regular basis in order to ensure that the classification is in line with current market conditions.

### Repossessed collaterals

	31.12.2017						
	Balance sheet balances					Disposals during the year	
	Value of collaterals repossessed 31.12.2017	Of which within 2017	Accumulated impairment allowance 31.12.2017	Of which within 2017	Carrying amount of collaterals repossessed 31.12.2017	Net disposal value	Net gain/(loss) on disposal
Real estate	266,141	12,856	39,138	10,297	227,003	6,066	(448)
Other collaterals	1,658				1,658	8,889	1,472

### Breakdown of collateral and guarantees

	31.12.2017				
	Value of collateral received				Guarantees received
	Real estate collateral	Financial collateral	Other collateral	Total value of collateral	
Retail Lending	16,536,748	150,439	648,968	17,336,155	4,035,141
Corporate Lending	5,856,339	1,392,334	3,715,472	10,964,145	4,751,666
Public sector	44,153	9,086	242,155	295,394	151,137
<b>Total</b>	<b>22,437,240</b>	<b>1,551,859</b>	<b>4,606,595</b>	<b>28,595,694</b>	<b>8,937,944</b>

There are no cases of transfer or repledge of collateral received from customer for which a liability to return has been recognized.



### Loans and advances to customers, impaired loans and impairment allowance by product line, industry and geographical region

31.12.2017*						
	Greece			Other countries		
	Gross Amount	Impaired Amount	Accumulated impairment allowance	Gross Amount	Impaired amount	Accumulated impairment allowance
<b>Retail lending</b>	<b>28,001,345</b>	<b>16,224,644</b>	<b>6,522,148</b>	<b>119,817</b>	<b>47,141</b>	<b>16,604</b>
Mortgage	16,101,155	7,710,588	2,742,181	107,875	43,092	15,154
Consumer	4,489,351	3,203,008	1,480,500	6,794	2,211	905
Credit cards	1,590,822	429,035	264,043	1,990	263	164
Small Business	5,820,017	4,882,013	2,035,424	3,158	1,575	381
<b>Corporate lending</b>	<b>16,703,661</b>	<b>7,844,741</b>	<b>4,034,754</b>	<b>3,518,337</b>	<b>530,367</b>	<b>331,272</b>
Financial institutions	788,010	47,886	44,448	92,258	19,897	10,281
Manufacturing	4,629,745	2,073,330	1,045,973	96,610	38,357	20,641
Construction and real estate	2,815,546	1,588,091	901,415	202,368	120,295	68,528
Wholesale and retail trade	4,385,330	2,421,433	1,268,773	56,503	4,640	7,886
Transportation	292,281	71,304	30,155	214,701	388	3,233
Shipping	204,914	82,143	16,912	1,259,469	219,201	113,448
Hotels-Tourism	1,692,773	725,400	278,632	81,914	28,664	10,596
Services and other sectors	1,895,062	835,154	448,446	1,514,514	98,925	96,659
<b>Public sector</b>	<b>1,040,561</b>	<b>41,471</b>	<b>45,436</b>	<b>89,308</b>		<b>1,679</b>
<b>Total</b>	<b>45,745,567</b>	<b>24,110,856</b>	<b>10,602,338</b>	<b>3,727,462</b>	<b>577,508</b>	<b>349,555</b>

### Interest income by credit quality and product line and advances to customers

31.12.2017			
	Interest income on non impaired Loans and Advances	Interest income on impaired Loans and Advances	Total interest income
Retail lending	559,664	510,600	1,070,264
Corporate lending	682,586	143,752	826,338
Public sector	29,213	201	29,414
<b>Total interest income</b>	<b>1,271,463</b>	<b>654,553</b>	<b>1,926,016</b>

\* Certain figures of the previous year have been restated for comparability purposes.





## FORBORNE LOANS

As at 31.12.2014, the Bank reassessed the perimeter of forborne loans for all the portfolios based on the Executive Regulation (EU) 2015/227 of European commission dated 9 January 2015 and the Executive technical standards of the European banking authority and incorporated the related definitions to its credit risk policy. In this respect, the evolution, the quality and the effectiveness of these loans is monitored according to the above definition.

The forborne loans perimeter include loans:

- Which have been restructured within the last 36 months and were not past due more than 90 days and
- Forborne Loans past due more than 90 days.

The restructuring of loans is performed through renegotiation of the original contractual terms and include changes such as:

- Extension of the credit duration
- Write-off of a portion of debtor's amounts due
- Grace period for the principal and/or interests
- Decrease in interest rate

As a rule forbearance measures which are extended include a combination of the above amendments to the contractual terms.

In addition, in the context of renegotiations of the terms of loans granted, the Bank has participated in agreements for the exchange of debt securities or loans with debtors' shares. As at 31.12.2017, the Bank included in its Available for Sale portfolio and in Assets held for Sale shares of fair value amounting to € 2,321 which were acquired from respective transactions. The shares that have been classified in Assets held for Sale concern SELONDA AQUACULTURE A.E.G.E. and NIREUS AQUACULTURE S.A. (note 45).

### Analysis of forborne loans to customers by type of forbearance measure

	<b>31.12.2017</b>
Interest payment only	387,712
Reduce payments scheme	6,172,968
Grace period	620,751
Loan term extension	3,209,873
Arrears capitalization	1,197,647
Partial write-off in borrower's obligations	135,251
Debt to equity transactions	6,805
Other	899,764
<b>Total net amount</b>	<b>12,630,771</b>

**Forborne loans and advances to customers by product line**

	<b>31.12.2017</b>
<b>Retail lending</b>	<b>9,764,415</b>
Mortgage	5,984,806
Consumer	1,952,423
Credit cards	179,414
Small Business	1,647,772
<b>Corporate lending</b>	<b>2,828,672</b>
Large	1,558,846
SMEs	1,269,826
<b>Public sector</b>	<b>37,684</b>
Greece	37,684
<b>Total net amount</b>	<b>12,630,771</b>

**Forborne loans and advances to customers by geographical region**

	<b>31.12.2017*</b>
Greece	12,127,915
Other countries	502,856
<b>Total net amount</b>	<b>12,630,771</b>

**Forborne loans and advances to customers according to their credit quality**

	<b>31.12.2017</b>		
	Total amount of Loans and Advances	Total amount of Forborne Loans and Advances	Forborne Loans and advances (%)
Neither past due nor impaired	21,628,095	3,402,663	16
Past due but not impaired	3,156,570	1,558,940	49
Impaired	24,688,364	12,143,184	49
<b>Exposure before impairment</b>	<b>49,473,029</b>	<b>17,104,787</b>	<b>35</b>
Individual Impairment Allowance	(4,222,891)	(1,614,113)	38
Collective Impairment Allowance	(6,729,002)	(2,859,903)	43
<b>Total net amount</b>	<b>38,521,136</b>	<b>12,630,771</b>	<b>33</b>
Value of collateral	28,595,694	10,148,127	35

\* Certain figures of the previous year have been restated for comparability purposes.

**Reconciliation of forborne loans and advances to customers**

	Forborne loans (Net Value)
<b>Balance 1.1.2017</b>	<b>11,068,283</b>
Forbearance measures of loans and advances to customers during the year	2,344,915
Interest income	414,371
Repayment of Loans and advances (partial or total)	(488,293)
Loans and advances that exited forbearance status	(762,348)
Impairment losses	86,323
Disposal of Forborne loans	(7,128)
Reclassification of Loans and advances to "Assets Held for sale"	(47,183)
Other	21,831
<b>Balance 31.12.2017</b>	<b>12,630,771</b>

**Balances with central banks – due from banks – derivative financial instruments and debt securities****Analysis per rating**

31.12.2017								
	Balances with central banks	Due from banks	Derivatives Financial Instruments	Trading securities	Investment securities			Total
					Available for sale securities	Held to maturity securities	Loans and receivables securities	
AAA					27,008			27,008
AA+ to AA-		25,676	21,944		564,624			612,244
A+ to A-		926,654	153,281		36,822			1,116,757
BBB+ to BBB-		278,796	73,897		229,271			581,964
Lower than BBB-	467,234	958,188	378,268	5,969	3,602,329	319		5,412,307
Unrated		80,438	743		360,000			441,181
<b>Exposure before impairment</b>	<b>467,234</b>	<b>2,269,752</b>	<b>628,133</b>	<b>5,969</b>	<b>4,820,054</b>	<b>319</b>	<b>-</b>	<b>8,191,461</b>

**Analysis per credit quality**

31.12.2017								
	Balances with central banks	Due from banks	Derivatives Financial Instruments	Trading securities	Investment securities			Total
					Available for sale securities	Held to maturity securities	Loans and receivables securities	
Neither past due nor impaired	467,234	2,227,791	628,133	5,969	4,820,054	319		8,149,500
Past due but not impaired								-
Impaired		41,961						41,961
<b>Exposure before impairment</b>	<b>467,234</b>	<b>2,269,752</b>	<b>628,133</b>	<b>5,969</b>	<b>4,820,054</b>	<b>319</b>	<b>-</b>	<b>8,191,461</b>
Less: Allowance for impairment losses		(41,961)						(41,961)
<b>Net exposure</b>	<b>467,234</b>	<b>2,227,791</b>	<b>628,133</b>	<b>5,969</b>	<b>4,820,054</b>	<b>319</b>	<b>-</b>	<b>8,149,500</b>



The following tables present the financial instruments exposed to credit risk by sectors of the counterparties.

## Financial instruments credit risk

### Analysis by industry sector

31.12.2017											
	Financial Institutions and other financial services	Manufacturing	Construction and real estate	Wholesale and retail trade	Public sector/ Government securities/ Derivatives	Transportation	Shipping	Hotels-Tourism	Services and other sectors	Retail lending	Total
<b>Credit risk exposure relating to balance sheet items:</b>											
Balances with Central Banks	467,234										467,234
Due from Banks	2,269,752										2,269,752
Loans and advances to customers	880,268	4,726,355	3,017,914	4,441,833	1,129,869	506,982	1,464,383	1,774,687	3,409,576	28,121,162	49,473,029
Derivative financial assets	181,296	16,348	67,304	17,018	331,967		728	8,266	5,090	116	628,133
Trading securities					5,969						5,969
Available for sale securities	1,027,737	156,168	566	8,810	3,605,868				20,905		4,820,054
Held to maturity securities			319								319
Assets held for sale - Loans and receivables	69,905	32,099	49,018	1,510				7,522	82,244	891,345	1,133,643
<b>Total amount of balance sheet items exposed to credit risk (a)</b>	<b>4,896,192</b>	<b>4,930,970</b>	<b>3,135,121</b>	<b>4,469,171</b>	<b>5,073,673</b>	<b>506,982</b>	<b>1,465,111</b>	<b>1,790,475</b>	<b>3,517,815</b>	<b>29,012,623</b>	<b>58,798,133</b>
Other balance sheet items not exposed to credit risk	3,217,055	2,966	295,413	350		404			6,894,496		10,410,684
<b>Total assets</b>	<b>8,113,247</b>	<b>4,933,936</b>	<b>3,430,534</b>	<b>4,469,521</b>	<b>5,073,673</b>	<b>507,386</b>	<b>1,465,111</b>	<b>1,790,475</b>	<b>10,412,311</b>	<b>29,012,623</b>	<b>69,208,817</b>
<b>Credit risk exposure relating to off-balance sheet items</b>											
Letters of guarantee, letters of credit and other guarantees	652,058	426,598	1,380,138	452,077	93,325	61,986	6,527	63,470	394,972	68,363	3,599,514
Guarantees for bonds issued by subsidiaries of the Bank	15,542										15,542
<b>Total amount of off-balance sheet items exposed to credit risk (b)</b>	<b>667,600</b>	<b>426,598</b>	<b>1,380,138</b>	<b>452,077</b>	<b>93,325</b>	<b>61,986</b>	<b>6,527</b>	<b>63,470</b>	<b>394,972</b>	<b>68,363</b>	<b>3,615,056</b>
<b>Total credit risk exposure (a+b)</b>	<b>5,563,792</b>	<b>5,357,568</b>	<b>4,515,259</b>	<b>4,921,248</b>	<b>5,166,998</b>	<b>568,968</b>	<b>1,471,638</b>	<b>1,853,945</b>	<b>3,912,787</b>	<b>29,080,986</b>	<b>62,413,189</b>

**EXPOSURE IN CREDIT RISK FROM DEBT ISSUED BY THE GREEK STATE**

The table below presents the Bank's total exposure in Greek Government securities:

Portfolio	31.12.2018		31.12.2017	
	Nominal value	Carrying amount	Nominal value	Carrying amount
Securities measured at fair value through other comprehensive income	3,520,926	3,462,440		
Available for sale			3,537,240	3,459,945
Trading	6,858	6,669	6,265	5,969
<b>Total</b>	<b>3,527,784</b>	<b>3,469,109</b>	<b>3,543,505</b>	<b>3,465,914</b>

All Greek Government securities are classified in level 1 based on the quality of inputs used for the estimation of their fair value.

In addition, securities issued by Public sector entities / organisations on 31.12.2018 amounted to € 45,240 (31.12.2017: € 107,944).

The Bank's exposure to Greek State from derivative financial instruments, is depicted in the table below.

**On balance sheet exposure**

	31.12.2018	31.12.2017
	Carrying amount	
Derivative financial instruments-assets	429,309	331,967
Derivative financial instruments-liabilities	(36,063)	(28,698)

Derivative financial liabilities from public sector entities / organisations amounted to € 7,689 on 31.12.2018 (31.12.2017: € 6,541 assets).

The Bank's exposure to public entities/organizations loans on 31.12.2018 amounted to € 836,649 (31.12.2017: € 1,076,823). The Bank has recognized impairment for the abovementioned loans amounting to € 50,759 as at 31.12.2018 (31.12.2017: € 45,519).

In addition the balance of Bank's loans guaranteed by the Greek State (directly guaranteed by Greek State, loans guaranteed by Common Ministerial Decisions, loans guaranteed by ETEAN) on 31.12.2018 amounted to € 542,743 (31.12.2017: € 679,214). For these loans the Bank has recognized impairment amounting to € 91,881 as at 31.12.2018 (31.12.2017: € 113,967).

**Off balance sheet exposure**

	31.12.2018		31.12.2017	
	Nominal value	Fair value	Nominal value	Fair value
Greek Government Treasury Bills received as collateral for derivatives transactions	400,000	399,600	300,000	299,370



## 40.2 Market risk

Market risk is the risk of losses arising from unfavorable changes in the value or volatility of interest rates, foreign exchange rates, stock exchange indices, equity prices and commodities. Losses may also occur either from the trading portfolio or from the Assets-Liabilities management.

More specifically:

- Interest rate risk is the risk that results from the adverse changes in the value or volatility of interest rates.
- Foreign exchange risk is the risk arising from adverse changes in the value or volatility of foreign exchange rates.
- Equity risk is the risk arising from adverse changes in the value or volatility of equities or equity indices. The Bank holds no material portfolio in such instruments.

### i. Trading portfolio

The Group Market Risk Management Policy elaborates on how market risk is managed within the Group, i.e. the identification, measurement, monitoring and control of market risk inherent in Treasury assets and liabilities transacted by the Group and the country local Treasury Management Units, as well as the determination that adequate capital is held against this type of risk. The ultimate objective of the Policy is to provide the framework and principles for the effective management of market risk, in order to:

- maintain market risk within the limits, in line with the Group's risk appetite;
- reduce the risk of fraud or regulatory non-compliance by prescribing sound methodologies;
- ensure adequate controls to prevent significant losses;
- facilitate efficient decision-making by quantifying where possible the probabilities of failing to achieve earnings or other targets.

All competent Group and country local Units apply the Policy by developing and applying corresponding processes.

Market risk of trading portfolio is measured by Value at Risk - VAR, that is the maximum amount of loss with a given probability (confidence level). The method applied for calculating Value at Risk is historical simulation with full revaluation using the 99th percentile and one tailed confidence interval. The historical observation period is one year at minimum. Risk factor returns are calculated according to the absolute or relative approach.

The Bank calculates VAR on a daily basis and the data sets are updated daily. A holding period of one and ten days is applied for regulatory purposes. Additional holding periods may be applied for internal purposes, according to the time required to liquidate the portfolio.

### 1 day value at risk, 99% confidence interval (2 years historical data)

(Amounts in Euro)

	2018				
	Foreign currency risk	Interest rate risk	Price risk	Covariance	Total
31 December	951,434	1,967,445	5,682	(1,148,208)	<b>1,776,353</b>
Average daily value (annual)	779,195	1,818,875	12,015	(897,098)	<b>1,712,987</b>
Maximum* daily value (annual)	350,410	1,972,905	24,651	(225,823)	<b>2,122,143</b>
Minimum* daily value (annual)	877,949	1,237,747		(876,786)	<b>1,238,910</b>

\* Relates to the total Value at Risk within the year



(Amounts in Euro)

	2017				
	Foreign currency risk	Interest rate risk	Price risk	Covariance	Total
31 December	346,333	1,941,302	24,345	(213,915)	<b>2,098,065</b>
Average daily value (annual)	585,522	1,146,831	42,153	(321,815)	<b>1,452,691</b>
Maximum* daily value (annual)	429,859	2,220,697	9,763	(432,617)	<b>2,227,702</b>
Minimum* daily value (annual)	323,703	254,866	24,174	(158,717)	<b>444,026</b>

The Value at Risk methodology is based on certain theoretical assumptions, which under extreme market conditions might not capture the maximum loss the Bank may suffer. The limitations of the methodology may be summarized as follows:

- VAR refers to the potential loss at a 99% confidence level, without considering any losses beyond that level
- Risk factor returns are assumed to follow the empirical distribution that was experienced during the historical observation period.

The Value at Risk methodology is complemented with scenario analysis and stress testing, in order to estimate the potential size of losses that could arise from the trading portfolio for hypothetical (scenarios) as well as historical extreme movements of market parameters (stress-testing).

Within the scope for financial risk management, exposure limits, maximum loss (stop loss) and value at risk for various products of the trading positions have been set.

In particular the following limits have been set for the following risks:

- Foreign currency risk regarding spot and forward positions and FX options
- Interest rate risk regarding positions on bonds, Interest Rate Swaps, Interest Futures, Interest Options
- Price risk regarding positions in shares, Index Futures and Options, Commodity Futures and Swaps
- Credit risk regarding interbank transactions and bonds

Positions held in these products are monitored on a continuous basis and are examined for the corresponding limit percentage cover and for any limit excess.

## ii. The financial risks of the banking portfolio

Market risk can arise not only from the trading portfolio, but also from the structure of assets - liabilities items for loans portfolio and deposits of the Bank. This risk consists of foreign currency and interest rate risk.

### a. Foreign currency risk

The Bank undertakes foreign currency risk due to the volatility of foreign exchange rates.

The open position per currency resulting from all operations is managed centrally. Bank policy is that positions are closed out promptly using spot or FX derivative transactions. All remaining open positions are subject to the foreign currency risk limits that are set within the scope of policy-making for financial risk management and monitored accordingly.

\* Relates to the total Value at Risk within the year



The total open position arises from the net balance sheet position and derivatives forward position are presented in the tables below.

	31.12.2018								
	USD	GBP	CHF	JPY	RON	RSD	Other FC	Euro	Total
<b>ASSETS</b>									
Cash and Balances with Central Banks	4,299	2,613	254	37			764	711,992	719,959
Due from Banks	59,105	15,892	8,197	5,030	923	75	3,793	2,532,171	2,625,186
Trading securities								6,815	6,815
Derivative financial assets								730,215	730,215
Loans and advances to customers	1,672,241	50,232	741,259	6,174			8,190	33,170,101	35,648,197
Investment securities									
Measured at fair value through other comprehensive income	15,882							5,675,984	5,691,866
Measured at fair value through profit or loss								180,175	180,175
Investments in subsidiaries, associates and joint ventures		57,154			5,137			801,440	863,731
Investment property								24,558	24,558
Property, plant and equipment								628,894	628,894
Goodwill and other intangible assets								390,445	390,445
Deferred tax assets								5,339,676	5,339,676
Other assets and assets held for sale	9,366	257	2	1	159,660	-	3,731	2,153,726	2,326,743
<b>Total Assets</b>	<b>1,760,893</b>	<b>126,148</b>	<b>749,712</b>	<b>11,242</b>	<b>165,720</b>	<b>75</b>	<b>16,478</b>	<b>52,346,192</b>	<b>55,176,460</b>
<b>LIABILITIES</b>									
Due to banks and customers	1,631,107	105,675	54,968	859	977		181,344	42,206,700	44,181,630
Derivative financial liabilities								1,149,513	1,149,513
Debt securities in issue and other borrowed funds	247,055							594,252	841,307
Liabilities for current income tax and other taxes								19,842	19,842
Employee defined benefit obligations								83,747	83,747
Other liabilities	3,096	13	5,324	545			115	821,645	830,738
Provisions	1,313	24	2	10	928		31	216,288	218,596
<b>Total liabilities</b>	<b>1,882,571</b>	<b>105,712</b>	<b>60,294</b>	<b>1,414</b>	<b>1,905</b>	<b>-</b>	<b>181,490</b>	<b>45,091,987</b>	<b>47,325,373</b>
Net balance sheet position	(121,678)	20,436	689,418	9,828	163,815	75	(165,012)	7,254,205	7,851,087
Derivatives forward foreign exchange position	157,966	(21,439)	(684,242)	(9,530)	(438,694)		176,100	834,594	14,755
<b>Total foreign exchange position</b>	<b>36,288</b>	<b>(1,003)</b>	<b>5,176</b>	<b>298</b>	<b>(274,879)</b>	<b>75</b>	<b>11,088</b>	<b>8,088,799</b>	<b>7,865,842</b>





	31.12.2017								
	USD	GBP	CHF	JPY	RON	RSD	Other FC	Euro	Total
<b>ASSETS</b>									
Cash and Balances with Central Banks	1,557	521	184	46			482	772,092	774,882
Due from Banks	17,315	(124)	28,283	2,210	619	73	5,088	2,174,327	2,227,791
Trading securities	1							6,543	6,544
Derivative financial assets								628,133	628,133
Loans and advances to customers	1,476,654	60,562	1,035,265	2,678	141,558		81,906	35,722,513	38,521,136
Investment securities									
- Available for sale	26,165	23						4,861,168	4,887,356
- Held to maturity								319	319
Investments in subsidiaries, associates and joint ventures	20,595	57,624			164,974		3,438	1,802,300	2,048,931
Investment property								26,379	26,379
Property, plant and equipment								628,956	628,956
Goodwill and other intangible assets								350,783	350,783
Deferred tax assets								4,282,208	4,282,208
Other assets and assets held for sale	364	43	1	2	1,770		14	1,469,086	1,471,280
<b>Total Assets</b>	<b>1,542,651</b>	<b>118,649</b>	<b>1,063,733</b>	<b>4,936</b>	<b>308,921</b>	<b>73</b>	<b>90,928</b>	<b>52,724,807</b>	<b>55,854,698</b>
<b>LIABILITIES</b>									
Due to banks and customers	1,316,263	93,111	112,926	1,806	1,773		189,845	42,291,156	44,006,880
Derivative financial liabilities								1,037,174	1,037,174
Debt securities in issue and other borrowed funds	295,467							262,482	557,949
Liabilities for current income tax and other taxes								17,920	17,920
Employee defined benefit obligations								89,441	89,441
Other liabilities	495	13	414	508			125	822,785	824,340
Provisions								175,307	175,307
<b>Total liabilities</b>	<b>1,612,225</b>	<b>93,124</b>	<b>113,340</b>	<b>2,314</b>	<b>1,773</b>	<b>-</b>	<b>189,970</b>	<b>44,696,265</b>	<b>46,709,011</b>
Net balance sheet position	(69,574)	25,525	950,393	2,622	307,148	73	(99,042)	8,028,542	9,145,687
Derivatives forward foreign exchange position	109,193	(34,602)	(949,745)	(2,281)	(383,219)		184,153	1,130,389	53,888
<b>Total foreign exchange position</b>	<b>39,619</b>	<b>(9,077)</b>	<b>648</b>	<b>341</b>	<b>(76,071)</b>	<b>73</b>	<b>85,111</b>	<b>9,158,931</b>	<b>9,199,575</b>



The open foreign exchange position as at 31.12.2018 presents the following sensitivity analysis:

Currency	Exchange rate variation scenario against Euro (%)	Impact on net income before tax
USD	Appreciation USD 5%	1,910
	Depreciation USD 5%	(1,728)
GBP	Appreciation GBP 5%	(53)
	Depreciation GBP 5%	48
CHF	Appreciation CHF 5%	272
	Depreciation CHF 5%	(246)
RON	Appreciation RON 5%	(14,467)
	Depreciation RON 5%	13,089
ALL	Appreciation ALL 5%	198
	Depreciation ALL 5%	(179)

## b. Interest rate risk

Banking book interest rate risk relates to the volatility on Equity and interest income due to the mismatch between the non-negotiable Assets-Liabilities and the securities portfolio measured at fair value through other comprehensive income.

The interest rate risk management framework is determined in accordance with the Asset Liability Risk Management Policy. Based on this framework, the risk analysis of the Banking Portfolio is analyzed through the Interest Rate Gap Analysis. Particularly, assets and liabilities are classified in Gaps depending on their repricing date for floating-rate items, or maturity date for fixed rate items.

Interest rate risk management is carried out by ALCO, following proposals by Group Market and Operational Risk Division, Financial Markets Division and Asset Liability Management Division. Stress interest rate scenarios are carried out on a monthly basis and their impact on the interest income change through EAR (Earnings at Risk) and Equity Value through EVE (Economic Value of Equity) is calculated. Corresponding limits have been set for both measures (EaR & EVE) which are monitored and presented to ALCO and RMC on a regular basis.



The following table presents the Interest Rate Repricing Analysis for all the Assets and Liabilities items, financial and non financial.

	31.12.2018							Non-interest bearing	Total
	Less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 5 years	> 5 years			
<b>ASSETS</b>									
Cash and balances with central banks	401,490						318,469		719,959
Due from banks	1,963,234	480,502		263		181,187			2,625,186
Trading securities			92		528	6,195			6,815
Derivative financial assets	730,215								730,215
Loans and advances to customers	12,475,169	5,335,610	2,209,153	1,385,865	9,614,804	4,627,596			35,648,197
Investment securities:									
- Measured at fair value through other comprehensive income	370,813	266,605	405,605	309,046	2,224,323	2,115,474			5,691,866
- Measured at fair value through profit and Loss	159,387	8,521				12,267			180,175
Investments in subsidiaries, associates and joint ventures							863,731		863,731
Investment properties							24,558		24,558
Property, plant and equipment							628,894		628,894
Goodwill and other intangible assets							390,445		390,445
Deferred tax assets							5,339,676		5,339,676
Other Assets							1,282,843		1,282,843
Assets held for sale		55,925					987,975		1,043,900
<b>Total Assets</b>	<b>16,100,308</b>	<b>6,147,163</b>	<b>2,614,850</b>	<b>1,695,174</b>	<b>11,839,655</b>	<b>6,942,719</b>	<b>9,836,591</b>		<b>55,176,460</b>
<b>LIABILITIES</b>									
Due to banks	6,725,754	1,147,483	57,279		2,758,896				10,689,412
Derivative financial liabilities	1,149,513								1,149,513
Due to customers	8,973,874	4,240,745	4,265,223	3,015,770	8,404,900	4,591,706			33,492,218
Debt securities in issue and other borrowed funds	289,712				534,922	16,673			841,307
Liabilities for current income tax and other taxes							19,842		19,842
Employee defined benefit obligations							83,747		83,747
Other Liabilities							830,738		830,738
Provisions							218,596		218,596
<b>Total Liabilities</b>	<b>17,138,853</b>	<b>5,388,228</b>	<b>4,322,502</b>	<b>3,015,770</b>	<b>11,698,718</b>	<b>4,608,379</b>	<b>1,152,923</b>		<b>47,325,373</b>
<b>EQUITY</b>									
Share capital							463,110		463,110
Share premium							10,801,029		10,801,029
Reserves							323,104		323,104
Retained earnings							(3,736,156)		(3,736,156)
<b>Total Equity</b>							<b>7,851,087</b>		<b>7,851,087</b>
<b>Total Liabilities and Equity</b>	<b>17,138,853</b>	<b>5,388,228</b>	<b>4,322,502</b>	<b>3,015,770</b>	<b>11,698,718</b>	<b>4,608,379</b>	<b>9,004,010</b>		<b>55,176,460</b>
<b>Open Exposure</b>	<b>(1,038,545)</b>	<b>758,935</b>	<b>(1,707,652)</b>	<b>(1,320,596)</b>	<b>140,937</b>	<b>2,334,340</b>	<b>832,581</b>		
<b>Cumulative Exposure</b>	<b>(1,038,545)</b>	<b>(279,610)</b>	<b>(1,987,262)</b>	<b>(3,307,858)</b>	<b>(3,166,921)</b>	<b>(832,581)</b>			



	31.12.2017								
	Less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 5 years	> 5 years	Non-interest bearing	Total	
<b>ASSETS</b>									
Cash and balances with central banks	467,234						307,648	774,882	
Due from banks	1,323,941	731,109	1,754		262	170,725		2,227,791	
Trading securities	575				2,464	3,505		6,544	
Derivative financial assets	628,133							628,133	
Loans and advances to customers	18,202,550	7,013,244	1,575,425	1,197,468	7,251,868	3,280,581		38,521,136	
Investment securities:									
- Available for sale	590,020	558,475	529,323		1,496,643	1,651,246	61,649	4,887,356	
- Held to maturity	319							319	
Investments in subsidiaries, associates and joint ventures							2,048,931	2,048,931	
Investment properties							26,379	26,379	
Property, plant and equipment							628,956	628,956	
Goodwill and other intangible assets							350,783	350,783	
Deferred tax assets							4,282,208	4,282,208	
Other Assets							1,253,995	1,253,995	
Assets held for sale	217,285							217,285	
<b>Total Assets</b>	<b>21,430,057</b>	<b>8,302,828</b>	<b>2,106,502</b>	<b>1,197,468</b>	<b>8,751,237</b>	<b>5,106,057</b>	<b>8,960,549</b>	<b>55,854,698</b>	
<b>LIABILITIES</b>									
Due to banks	9,848,282	761,526	41,289		3,100,753			13,751,850	
Derivative financial liabilities	1,037,174							1,037,174	
Due to customers	6,245,474	3,693,915	6,285,401	2,517,709	6,961,527	4,551,004		30,255,030	
Debt securities in issue and other borrowed funds	532,023		4,278		5,712	15,936		557,949	
Liabilities for current income tax and other taxes							17,920	17,920	
Employee defined benefit obligations							89,441	89,441	
Other Liabilities							824,340	824,340	
Provisions							175,307	175,307	
<b>Total Liabilities</b>	<b>17,662,953</b>	<b>4,455,441</b>	<b>6,330,968</b>	<b>2,517,709</b>	<b>10,067,992</b>	<b>4,566,940</b>	<b>1,107,008</b>	<b>46,709,011</b>	
<b>EQUITY</b>									
Share capital							463,110	463,110	
Share premium							10,801,029	10,801,029	
Reserves							572,832	572,832	
Retained earnings							(2,691,284)	(2,691,284)	
<b>Total Equity</b>							<b>9,145,687</b>	<b>9,145,687</b>	
<b>Total Liabilities and Equity</b>	<b>17,662,953</b>	<b>4,455,441</b>	<b>6,330,968</b>	<b>2,517,709</b>	<b>10,067,992</b>	<b>4,566,940</b>	<b>10,252,695</b>	<b>55,854,698</b>	
<b>Open Exposure</b>	<b>3,767,104</b>	<b>3,847,387</b>	<b>(4,224,466)</b>	<b>(1,320,241)</b>	<b>(1,316,755)</b>	<b>539,117</b>	<b>(1,292,146)</b>		
<b>Cumulative Exposure</b>	<b>3,767,104</b>	<b>7,614,491</b>	<b>3,390,025</b>	<b>2,069,784</b>	<b>753,029</b>	<b>1,292,146</b>			

From the Interest Rate Gap Analysis and from the application of alternative scenarios regarding the changes in market interest rates or changes in the Bank's base interest rates, the Bank is able to calculate the immediate changes in net interest income and equity relating to securities measured at fair value through other comprehensive income and the respective hedging instruments. In the interest rate decrease scenarios the change is assessed up to a feasible point (interest rate equals to zero) in accordance with the effective yield curves per currency.

Interest rate variation scenario (parallel fall or rise in yield curves)	Sensitivity for net Interest Income (Annual)	Sensitivity of Equity
-200	-22,803	+364,850
+200	+3,047	-330,239



### 40.3 Liquidity Risk

Liquidity risk relates to the Bank's ability to maintain sufficient funds to cover its planned or extraordinary obligations. Liquidity Risk comprises both funding liquidity risk and asset liquidity risk though these two dimensions of liquidity risk are closely related. Funding Liquidity risk refers to the inability of a financial institution to raise the cash necessary to roll over its debt, fulfill the cash, margin, or collateral requirements of counterparties; or to meet capital withdrawals. Asset – market liquidity risk, results from the Bank's failure to recognize or address changes in market conditions that affect the ability to liquidate assets quickly and with minimal loss in value.

According to Bank's Liquidity Risk Management Policy, the Board Risk Management Committee assigns the overall responsibility for overseeing asset and liability management to Asset – Liability Committee (ALCo). ALCo is responsible on one hand to monitor the quantitative and qualitative aspects of liquidity risk and on the other hand to ensure that appropriate policies and procedures are in place to control and limit liquidity risk. In addition to that, ALCo is responsible for approving the guidelines, principles, risk measurement techniques and limits that have been proposed by the Market and Operational Risk Division, Financial Markets Division and Asset Liability Management Division.

Bank's executive and senior management is informed on current liquidity risk exposures on a daily basis, ensuring that the Bank's liquidity risk profile stays within approved limits. Moreover, management receives on a daily basis a liquidity report, which presents a detailed analysis of Bank's funding sources and counterbalancing capacity. Among others, for the purpose of proper management of liquidity risk and in line with supervisory requirements, the Bank monitors and manages on a monthly basis, the amount, quality and concentration of counterbalancing capacity, the cash flows arising from assets and liabilities (inflows, outflows – maturity ladder) over time, the concentration and cost of funding, the roll over of funding.

Moreover, on a periodic basis and in order to inform the Bank's executive and senior management and the decision-making of ALCo, the following reports are produced; Static Liquidity Gap analysis, regulatory liquidity ratios, deposit concentration report by analyzing deposit balances per product, Bank's Loans to Deposit ratio, liquidity risk indicators and triggers as defined in Recovery Plan.

Finally, due to the criticality of the Greek economy, stress tests are frequently carried out, for liquidity purposes, in order to assess potential outflows (contractual or contingent) to determine the level of immediate liquidity available to cover the Bank's needs. These tests are carried out according to the approved, Liquidity Buffer and Liquidity Stress Scenario Policy of the Group and evaluate the risk in idiosyncratic extraordinary events (idiosyncratic stress test) in the Bank's liquidity, in systemic (systemic stress test) as well as combined events (combined stress test), while it has to be noted that stress tests are also used in order to determine the Liquidity buffer for recovery purposes. According to the policy and within the context of ILAAP, the Bank also applies a reverse stress test in order to examine its impact on its liquidity.

Taking into account that liquidity risk management seeks to ensure that the respective risk of the Bank is measured properly and is maintained within acceptable levels, even under adverse conditions, then the Bank must have access to funds in order to cover customer needs, maturing liabilities and other capital needs, while maintaining at the same time the appropriate counterbalancing capacity to ensure the above.

More analytically, the total funding can be divided into two main categories:

#### A. Customer Deposits

##### 1. Customer deposits on demand for cash flow needs

Deposits that are intended to meet short term needs of customers are the savings accounts and the sight deposits. Although these deposits may be withdrawn on demand, the number of accounts and type of depositors ensure that unexpected significant fluctuations are limited. Therefore, these deposits constitute a significant factor of stability of the deposit base.



## 2. Customer term deposits and bonds for investment purposes

The customer term deposits and bonds for investment purposes issued by the Group companies usually consist of customer deposits for a certain period and customer repurchase agreements (repos), whereas the bonds issued by the Group companies are disposed through outright sale. Customers have the ability of early withdrawal of deposits or early liquidation of bonds which may result in potential need of finding alternative liquidity in case of extensive outflows.

For this purpose and for the general safety of customer deposits, the Bank takes care for the existence of adequate liquidity surpluses which are calculated based on stress testing exercises due to loss of liquidity or the existence of sufficient credit lines of financial instruments as shown below.

## B. Wholesale funding

### 1. Medium-term borrowing from international capital markets

The Bank's constant aspiration is to cooperate with international investors who may offer medium term financing through purchase of securities issued by the Group companies. For this purpose, the Bank retains special financing programs appealing to international investors and provides adequate coverage of credit needs through international capital markets by planning asset level needs on an annual basis. However, the Bank acknowledges that the demand of these bonds may not be enough to fully meet the needs in specific time intervals as a result of factors which concern the credit assessment in the domestic and international economic environment.

### 2. Funding by Central Banks

An alternative way of Bank funding is the liquidity from financial instruments of the Central Banks- Euro system and especially from the European Central Bank (ECB). This funding regards loan granted with pledge of assets according to instructions and the eligible assets determined by the ECB. During the last years this additional source funding has become a major financial instrument by hedging the inadequate or loss of basic forms of Bank funding. Furthermore, the Bank can use available assets in order to increase liquidity from the Euro system to cover any financing gap. The Bank recognizes the short-term nature of this liquidity source and pursues gradually to release, if circumstances allow. However, for as long as the country is experiencing financial and economic crisis, the Bank ensures the smooth financing from these financial instruments which may be either conventional marginal lending from the ECB (MRO), or Emergent Liquidity Assistance from Bank of Greece (ELA). The Bank ensures the adequacy of collateral required in order to serve the financing from the above financial instruments, while recognizing both the type and the amount of financing that is under the discretion of the Euro system.

The borrowing from the European System of Central Banks was reduced by €6.8 billion since 31.12.2017, amounting to €3.4 billion on 31.12.2018, of which the €0.3 billion relates to ELA mechanism. It needs to be mentioned that, according to the Recovery Plan, ELA deposit is expected to be gradually reduced until its' full elimination. During the year 2018, our funding has significantly increased due to increase of customer deposits and interbank repo transactions along with the issuance of MTN Notes.

According to the Liquidity Gap Analysis, the cash flows arising from balance sheet items are calculated and classified into time periods in accordance with the contractual maturity date or an estimated date based on a statistical analysis (convention). An exception to the above, are the securities portfolios, which can contribute directly to raise liquidity, and they are allocated in the first period under the condition they have not been used to raise liquidity either by the Central Bank or through interbank repos.



	31.12.2018					
	Less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	>1 years	Total
<b>ASSETS</b>						
Cash and balances with central banks	719,959					719,959
Due from banks	1,830,398	37,681	90,649	129,714	536,744	2,625,186
Trading securities			92		6,723	6,815
Derivative financial assets	730,215					730,215
Loans and advances to customers	1,097,674	919,808	1,199,975	2,568,109	29,862,631	35,648,197
Investment securities:						-
- Measured at fair value through other comprehensive income	5,691,866					5,691,866
- Measured at fair value through profit or loss	180,175					180,175
Investments in subsidiaries, associates and joint ventures					863,731	863,731
Investment properties					24,558	24,558
Property, plant and equipment					628,894	628,894
Goodwill and other intangible assets					390,445	390,445
Deferred tax assets					5,339,676	5,339,676
Other Assets					1,282,843	1,282,843
Assets held for sale			51,834	992,066		1,043,900
<b>Total Assets</b>	<b>10,250,287</b>	<b>957,489</b>	<b>1,342,550</b>	<b>3,689,889</b>	<b>38,936,245</b>	<b>55,176,460</b>
<b>LIABILITIES</b>						
Due to banks	6,592,300	926,255	33,941	3,214	3,133,702	10,689,412
Derivative financial liabilities	1,149,513					1,149,513
Due to customers	7,632,914	4,300,569	4,354,959	3,195,242	14,008,534	33,492,218
Debt securities in issue and other borrowed funds		5,203		284,509	551,595	841,307
Liabilities for current income tax and other taxes		19,842				19,842
Employee defined benefit obligations					83,747	83,747
Other Liabilities					830,738	830,738
Provisions					218,596	218,596
<b>Total Liabilities</b>	<b>15,374,727</b>	<b>5,251,869</b>	<b>4,388,900</b>	<b>3,482,965</b>	<b>18,826,912</b>	<b>47,325,373</b>
<b>EQUITY</b>						
Share capital					463,110	463,110
Share premium					10,801,029	10,801,029
Reserves					323,104	323,104
Retained earnings					(3,736,156)	(3,736,156)
<b>Total Equity</b>					<b>7,851,087</b>	<b>7,851,087</b>
<b>Total Liabilities and Equity</b>	<b>15,374,727</b>	<b>5,251,869</b>	<b>4,388,900</b>	<b>3,482,965</b>	<b>26,677,999</b>	<b>55,176,460</b>
<b>OPEN LIQUIDITY GAP</b>	<b>(5,124,440)</b>	<b>(4,294,380)</b>	<b>(3,046,350)</b>	<b>206,924</b>	<b>12,258,246</b>	
<b>CUMULATIVE LIQUIDITY GAP</b>	<b>(5,124,440)</b>	<b>(9,418,820)</b>	<b>(12,465,170)</b>	<b>(12,258,246)</b>		



	31.12.2017					
	Less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	>1 Year	Total
<b>ASSETS</b>						
Cash and balances with central banks	774,882					774,882
Due from banks	880,042	294,560	51,821	325,032	676,336	2,227,791
Trading securities	6,544					6,544
Derivative financial assets	628,133					628,133
Loans and advances to customers	2,135,256	2,123,022	1,453,244	2,487,992	30,321,622	38,521,136
Investment securities						-
- Available for sale	4,646,353				241,003	4,887,356
- Held to maturity					319	319
Investments in subsidiaries, associates and joint ventures					2,048,931	2,048,931
Investment properties					26,379	26,379
Property, plant and equipment					628,956	628,956
Goodwill and other intangible assets					350,783	350,783
Deferred tax assets					4,282,208	4,282,208
Other Assets					1,253,995	1,253,995
Assets held for sale		130,284		87,001		217,285
<b>Total Assets</b>	<b>9,071,210</b>	<b>2,547,866</b>	<b>1,505,065</b>	<b>2,900,025</b>	<b>39,830,532</b>	<b>55,854,698</b>
<b>LIABILITIES</b>						
Due to banks	9,748,277	488,505	791	1,287	3,512,990	13,751,850
Derivative financial liabilities	1,037,174					1,037,174
Due to customers	6,240,365	3,693,350	3,445,619	2,725,984	14,149,712	30,255,030
Debt securities in issue and other borrowed funds			4,278		553,671	557,949
Liabilities for current income tax and other taxes		17,920				17,920
Employee defined benefit obligations					89,441	89,441
Other Liabilities	88,505				735,835	824,340
Provisions					175,307	175,307
<b>Total Liabilities</b>	<b>17,114,321</b>	<b>4,199,775</b>	<b>3,450,688</b>	<b>2,727,271</b>	<b>19,216,956</b>	<b>46,709,011</b>
<b>EQUITY</b>						
Share capital					463,110	463,110
Share premium					10,801,029	10,801,029
Reserves					572,832	572,832
Retained earnings					(2,691,284)	(2,691,284)
<b>Total Equity</b>					<b>9,145,687</b>	<b>9,145,687</b>
<b>Total Liabilities and Equity</b>	<b>17,114,321</b>	<b>4,199,775</b>	<b>3,450,688</b>	<b>2,727,271</b>	<b>28,362,643</b>	<b>55,854,698</b>
<b>OPEN LIQUIDITY GAP</b>	<b>(8,043,111)</b>	<b>(1,651,909)</b>	<b>(1,945,623)</b>	<b>172,754</b>	<b>11,467,889</b>	
<b>CUMULATIVE LIQUIDITY GAP</b>	<b>(8,043,111)</b>	<b>(9,695,020)</b>	<b>(11,640,643)</b>	<b>(11,467,889)</b>		





Trading and investment portfolios are listed based on their liquidation potential and not according to their maturity.

Cash flows arising from financial liabilities including derivative financial liabilities, are allocated into time bands according to their maturity date. Estimated interest payments are also included. Liabilities in foreign currency have been converted into Euro. Outflows and inflows relating to derivatives are estimated according to their contractual terms.

	31.12.2018						
	Total Balance Sheet	Nominal inflows / (outflows)					Total
		Less than one month	1 to 3 months	3 to 6 months	6 to 12 months	More than a year	
<b>Non-derivative liabilities</b>							
Due to banks	10,689,412	(6,597,213)	(935,972)	(47,771)	(31,683)	(3,263,376)	(10,876,015)
Due to customers	33,492,218	(7,642,691)	(4,317,854)	(4,378,050)	(3,237,077)	(14,176,471)	(33,752,143)
Debt securities in issue and other borrowed funds	841,307	(2,269)	(9,646)	(6,503)	(294,877)	(587,720)	(901,015)
Other liabilities	830,738					(830,738)	(830,738)
<b>Derivatives held for assets fair value hedge</b>	685						
- Outflows		(58,193)	(54,778)	(30)	(3)	(5)	(113,009)
- Inflows		57,787	54,383		14	62	112,246
<b>Derivatives held for liabilities fair value hedge</b>	374,818						
- Outflows		(175)	(330)	(27,557)	-	(496,102)	(524,164)
- Inflows				7,113	14,169	474,233	495,515
<b>Derivatives held for trading</b>	774,010						
- Outflows		(876,409)	(357,601)	(56,132)	(114,857)	(1,311,508)	(2,716,507)
- Inflows		843,819	301,595	41,024	107,048	1,156,100	2,449,586
<b>Total</b>	<b>47,003,188</b>	<b>(14,275,344)</b>	<b>(5,320,203)</b>	<b>(4,467,906)</b>	<b>(3,557,266)</b>	<b>(19,035,525)</b>	<b>(46,656,244)</b>
<b>Off Balance sheet items</b>							
Financial guarantees		(104,242)	(166,986)	(91,713)	(245,225)	(2,146,702)	(2,754,868)
<b>Total off Balance sheet items</b>		<b>(104,242)</b>	<b>(166,986)</b>	<b>(91,713)</b>	<b>(245,225)</b>	<b>(2,146,702)</b>	<b>(2,754,868)</b>



31.12.2017							
	Total Balance Sheet	Nominal inflows / (outflows)					Total
		Less than one month	1 to 3 months	3 to 6 months	6 to 12 months	More than a year	
<b>Non-derivative liabilities</b>							
Due to banks	13,751,850	(9,760,440)	(508,425)	(37,442)	(74,653)	(3,839,251)	(14,220,211)
Due to customers	30,255,030	(6,250,172)	(3,711,886)	(3,473,033)	(2,780,346)	(14,411,740)	(30,627,177)
Debt securities in issue and other borrowed funds	557,949	(1,513)	(3,096)	(10,180)	(10,203)	(596,591)	(621,583)
Other liabilities	824,340	(88,505)				(735,835)	(824,340)
<b>Derivatives held for assets fair value hedge</b>	777						
- Outflows		(23,759)		(771)	(18)	(17)	(24,565)
-Inflows		23,725				76	23,801
<b>Derivatives held for liabilities fair value hedge</b>	377,955						
- Outflows		(181)	(169)	(27,557)		(523,659)	(551,566)
-Inflows			2,141	7,045	14,072	502,458	525,716
<b>Derivatives held for trading</b>	658,442						
- Outflows		(993,616)	(537,216)	(71,533)	(65,285)	(1,225,804)	(2,893,454)
-Inflows		970,266	505,047	61,898	56,440	1,031,712	2,625,363
<b>Total</b>	<b>46,426,343</b>	<b>(16,124,195)</b>	<b>(4,253,604)</b>	<b>(3,551,573)</b>	<b>(2,859,993)</b>	<b>(19,798,651)</b>	<b>(46,588,016)</b>
Off Balance sheet items							
Financial guarantees		(106,925)	(134,732)	(124,628)	(229,678)	(2,191,602)	(2,787,565)
<b>Total off Balance sheet items</b>		<b>(106,925)</b>	<b>(134,732)</b>	<b>(124,628)</b>	<b>(229,678)</b>	<b>(2,191,602)</b>	<b>(2,787,565)</b>



## 40.4 Fair value of financial assets and liabilities

### Hierarchy of financial instruments not measured at fair value

	31.12.2018				
	Level 1	Level 2	Level 3	Total fair value	Total Carrying amount
<b>Financial assets</b>					
Loans and advances to customers			35,138,293	35,138,293	35,310,639
Investment securities					
- Held to maturity					
<b>Financial liabilities</b>					
Due to customers			33,477,269	33,477,269	33,492,218
Debt securities in issue	513,826	11,581	314,611	840,018	841,307

	31.12.2017				
	Level 1	Level 2	Level 3	Total fair value	Total Carrying amount
<b>Financial assets</b>					
Loans and advances to customers			38,222,099	38,222,099	38,521,136
Investment securities					
- Held to maturity			97	97	319
<b>Financial liabilities</b>					
Due to customers			30,233,100	30,233,100	30,255,030
Debt securities in issue		18,276	536,812	555,088	557,949

The above tables present the fair value as well as the carrying amount of financial instruments measured at amortized cost classified by fair value hierarchy.

The fair value of loans to customers measured at amortized cost is estimated using the discount model of contractual future cash flows. The components of the discount rate are the interbank market yield curve, the liquidity premium as well as the expected loss rate. More specifically, for 31.12.2018, for those loans considered as impaired for the purpose of credit risk monitoring and are individually assessed, the model used is incorporating expected future cash flows excluding expected credit loss. For the purpose of calculating the fair value of impaired loans, that are valued at product level, capital repayment assumptions are used, after deducting the estimated loss due to credit risk.

The interbank market yield curve and the liquidity premium serve as the discount rate for the impaired loans

The fair value of deposits is estimated based on the interbank market yield curve and the liquidity premium until their maturity.

Held to maturity securities and debt securities in issue, for the year 2017, according to the classification under IAS 39 the fair value of which, is calculated by using active market prices, are classified as Level 1. Held to maturity securities and debt securities in issue, the fair value of which, is calculated based on non-binding market prices provided by dealers-brokers or on the application of the income approach methodology using interest rates and credit spreads which are observable in the market, are classified as Level 2. Level 3 classifications include securities the fair value of which, is estimated using significant unobservable inputs. In this case, the fair value is provided by the issuers of the securities and confirmed by the Bank or calculated internally by the Bank. Additionally, Level 3 includes the Bank's liabilities to the Special Purpose Entities, related to securitized loans. The fair value of these liabilities was calculated by discounting future cash flows taking into account non-observable market data.

The fair value of other financial assets and liabilities which are valued at amortized cost does not differ materially from the respective carrying amount.



## Hierarchy of financial instruments measured at fair value

	31.12.2018			
	Level 1	Level 2	Level 3	Total fair value
Derivative financial assets	3,528	710,024	16,663	730,215
Trading securities				
- Bonds and Treasury bills	6,669			6,669
- Shares	146			146
Securities measured at fair value through other comprehensive income				
- Bonds and Treasury bills	5,325,197	287,651	9,593	5,622,441
- Shares	8,238	21,403	39,784	69,425
Securities measured at fair value through profit or loss				
- Bonds and Treasury bills		69	175,622	175,691
- Other variable yield securities	4,481			4,481
- Shares			3	3
Loans measured at fair value through profit or loss			337,557	337,557
Derivative financial liabilities		1,149,513		1,149,513

	31.12.2017			
	Level 1	Level 2	Level 3	Total fair value
Derivative financial assets	7,462	594,115	26,556	628,133
Trading securities				
- Bonds and Treasury bills	5,969			5,969
- Shares	575			575
Available for sale securities				
- Bonds and Treasury bills	4,230,248	395,996	193,810	4,820,054
- Shares	29,044	18,659	13,945	61,648
- Other variable yield securities	5,654			5,654
Derivative financial liabilities		1,037,173	1	1,037,174

The tables above present the fair value hierarchy of financial instruments which are measured at fair value based on inputs used for the fair value measurement.

Securities which are traded in an active market and exchange-traded derivatives are classified into Level 1.

Securities whose fair value is calculated based on non-binding market prices provided by dealers-brokers or on the application of the income approach methodology using interest rates and credit spreads which are observable in the market, are classified as Level 2.

Level 3 classification includes securities and loans whose fair value is estimated using significant unobservable inputs.

The valuation methodology of securities is subject to approval by the Treasury and Balance Sheet Management / Assets – Liabilities Management Committees. It should be noted that for the securities whose fair value is calculated based on market prices, bid prices are considered and daily checks are performed with regards to their change in fair value.

The fair value of loans measured at fair value through profit or loss, is estimated based on the valuation methodology as described above regarding the disclosure of fair value for loans measured at amortized cost.

Shares whose fair value is calculated are classified to Level 2 or Level 3, depending on the extent of the contribution of unobservable data to the calculation of the final fair value. The fair value of non-listed shares, as well as shares not traded in an active market is determined either based on the Bank's share on the issuer's equity or by the multiples valuation or the



estimations made by the Bank regarding the future profitability of the issuer taking into account the expected growth rate of its operations, as well as the weighted average rate of capital return which is used as discount rate.

For the valuation of over the counter derivatives income approach methodologies are used: discounted cash flow models, option-pricing models or other widely accepted valuation models. The valuation methodology of over the counter derivatives is subject to approval by the Treasury and Balance Sheet Management / Assets – Liabilities Management Committees. Mid prices are considered as both long and short positions may be outstanding. Valuations are checked on a daily basis with the respective prices of the counterparty banks in the context of the daily process of provision of collaterals and settlement of derivatives. If the non observable inputs are significant, the fair value that arises is classified as Level 3 or otherwise as Level 2.

In addition, the Bank calculates the credit valuation adjustments (CVA) in order to take into account the counterparty credit risk for OTC derivative financial instruments. In particular, taking into consideration its own credit risk, the Bank calculates the bilateral credit valuation adjustments (Bilateral CVA/BCVA) for the OTC derivatives held on a counterparty level according to netting and collateral agreements in force. BCVA is calculated across all counterparties with a material effect on the respective derivative fair values taking into consideration the default probability of both the counterparty and Bank, the impact of first to default, the expected OTC derivative exposure and loss given default of the counterparty and of Bank and the specific characteristics of netting and collateral agreements in force.

Collaterals are simulated along with the derivative portfolio exposure over the life of the related instruments. Calculations performed depend largely on observable market data. Market quoted counterparty and Bank's CDS spreads are used in order to derive the respective probability of default a market standard recovery rate is assumed for developed market counterparties, correlations between market data are taken into account and a series of simulations is performed to model the portfolio exposure over the life of the related instruments. In the absence of observable market data, the counterparty probability of default and loss given default are determined using the Bank's internal models for credit rating and collateral valuation.

A breakdown of BCVA per counterparty sectors and counter party credit quality, as defined for presentation purposes of the table "Analysis of neither past due nor impaired Loans and Advances to customers" is given below:

	31.12.2018	31.12.2017
<b>Category of counterparty</b>		
Corporates	(4,841)	(7,184)
Governments	(25,249)	(12,538)

	31.12.2018	31.12.2017
<b>Hierarchy of counterparty by credit quality</b>		
Strong	(371)	(288)
Satisfactory	(25,246)	(12,326)
Watch list (higher risk)	(4,473)	(7,108)



The table below presents the valuation methods used for the measurement of Level 3 fair value:

	31.12.2018			
	Total Fair Value	Fair Value	Valuation Method	Significant non-observable inputs
Derivative financial assets	16,663	2,098	Discounted cash flows with interest rates being the underlying instruments, taking into account the credit risk of the counterparty	The probability of default and loss given default of the counterparty (BCVA adjustment) calculated using an internal model
		14,565	Option discounting taking into account the credit risk of the counterparty	Credit spread
Bonds measured at fair value through other comprehensive income	9,593	9,593	Discounted cash flows with estimation of bond yield	Bond yield
Shares measured at fair value through other comprehensive income	39,784	39,784	Discounted cash flows / Multiples valuation method	Future profitability of the issuer, expected growth / Valuation ratios
Bonds measured at fair value through profit or loss	175,622	175,622	Based on issuer price / Discounted cash flows with estimation of credit risk	Issuer price / Credit spread
Shares measured at fair value through profit or loss	3	3	Discounted cash flows / Multiples valuation method / Expected transaction price	Future profitability of the issuer, expected growth / Valuation ratios
Loans measured at fair value through profit or loss	337,557	337,557	Discounted cash flows with interest being the underlying instruments, taking into account the counterparty's credit risk	Expected loss and cash flows from counterparty' credit risk

	31.12.2017			
	Total Fair Value	Fair Value	Valuation Method	Significant Non-observable Inputs
Derivative financial assets	26,556	11,629	Discounted cash flows with interest being the underlying instruments, taking into account the credit risk	The probability of default and loss given default of the counterparty (BCVA adjustment) calculated using an internal model
		14,812	Option discounting taking into account the credit risk of the counterparty	Credit spread
		115	Discounted cash flows with interest rates being the underlying instrument	Valuation of reserve adequacy for payment of hybrid securities' dividends
Available for sale bonds	193,810	193,810	Based on issuer price - Market prices adjusted due to low marketability - discounted cash flows with estimation of the credit risk - discounted cash flows with estimation of bond yields and valuation of the shares following of the expected restructuring	Issuer price - Adjustment due to low market activity - Credit spread / Bond yield and share price
Available for sale shares	13,945	13,945	Discounted cash flows – Multiples valuation method	Future profitability of the issuer
Derivative financial liabilities	1	1	Discounted cash flows with interest rates being the underlying instrument	Valuation of reserve adequacy for payment of hybrid securities' dividends



Sensitivity analysis for Level 3 financial instruments on 31.12.2018 that their valuation was based on non-observable data is presented in the following table:

	Significant Non-observable inputs	Quantitative information on non-observable inputs	Significant non-observable inputs change	Total effect in income statement		Total effect in equity	
				Favourable variation	Unfavourable variation	Favourable variation	Unfavourable variation
Derivative Financial Assets	The probability of default and loss given default of the counterparty (BCVA adjustment) calculated using an internal model	Average probability of default equal to 100% and average loss in the case of default of counterparty equal to 76%	Increase the probability of default through reduction of internal ratings by 2 scales/ increase the loss given default by 10%		(905)		
	Credit spread	Credit spread equal to 300 bps	Increase of Credit spread by 10%		(776)		
Bonds measured at fair value through profit or loss	Issuer price / Credit spread	Issuer price equal to 59.74% Average credit spread equal to 1,106 bps	Variation +/- 10% in issuer Price, +/- 10% in adjustment of estimated Credit Risk	4,998	(4,857)		
Bonds measured at fair value through other comprehensive income	Bond yield	Bond yield equal to 8.26%	Variation +/- 10% in estimated bond yield			215	(208)
Shares measured at fair value through other comprehensive income	Future profitability of the issuer, expected growth	P/B ratio equal to 0,19	Variation +/- 10% in P/B (multiples valuation method)			27	(27)
Loans measured at fair value through profit or loss	Expected credit loss and cash flows from credit risk of the counterparty	Average credit spread and liquidity premium equal to 29.21%	Decrease of the expected cash flows by 10% on loans individually assessed		(10,881)		
				<b>4,998</b>	<b>(17,419)</b>	<b>242</b>	<b>(235)</b>

There are no significant interrelations between the non-observable data that significantly affect the fair value.

The Bank recognizes the transfer between fair value hierarchy Levels at the end of each reporting period.

Within the year an amount of € 30,650 of Greek corporate bonds was transferred from Level 1 to Level 2 as the liquidity margin (bid-ask spread) moved above the limit set for the characterization of market as active.



A reconciliation for the movement of financial instruments measured at fair value in Level 3 is depicted below:

	<b>31.12.2018</b>			
	<b>Assets</b>			
	<b>Securities measured at fair value through other comprehensive income</b>	<b>Securities measured at fair value through profit or loss</b>	<b>Loans measured at fair value through profit or loss</b>	<b>Derivative financial assets</b>
<b>Opening balance 1.1.2018 following the implementation of IFRS 9</b>	<b>59,543</b>	<b>148,212</b>	<b>426,353</b>	<b>26,556</b>
Total gain/(loss) recognized in Income Statement				
- Net interest income	2,160	814	14,132	287
- Gains less losses on financial transactions and impairments on Group companies	15	27,122	(44,951)	2,023
- Impairment losses	(558)			
Total gain/(loss) recognized in Equity-Reserves	1,081			
Total gain/(loss) recognized in Equity-Retained earnings	(2,495)			
Purchases / Disbursements	28,334	27	38,052	
Sales		(550)		
Repayments	(28,246)		(70,384)	(1,560)
Transfer out from Level 3 to Level 2	(10,457)			(10,643)
Transfer to assets held for sale			(25,645)	
<b>Balance 31.12.2018</b>	<b>49,377</b>	<b>175,625</b>	<b>337,557</b>	<b>16,663</b>
Gain/ (loss) included in the income statement and relate to financial instruments included in the balance sheet at the end of the reporting period 1.1 - 31.12.2018.				
- Net interest income	1,384	814	12,701	287
- Gains less losses on financial transactions and impairments on Group companies	15	27,145	(45,220)	2,023
- Impairment losses	(558)			

During the year, a bond amounting to € 10,457 and derivatives amounting to € 10,643 were transferred from Level 3 to Level 2, since observable parameters were used for their valuation. Moreover, a bond amounting to € 26,752 matured on 30.05.2018.

Finally, in the context of the debt restructuring of a certain borrower, the Bank acquired the option to purchase a stake in its share capital for a symbolic price. This option was recognized as a derivative with a fair value of € 14,565 (31.12.2017: € 14,812).





	31.12.2017			
	Assets		Liabilities	
	Available for sale securities	Derivative financial assets	Derivative financial liabilities	Convertible bond loan
<b>Opening balance 1.1.2017</b>	<b>52.049</b>	<b>5.360</b>	<b>(1)</b>	<b>(13.995)</b>
Total gain / (loss) recognized in income statement				
- Net interest income	2,067	962		
- Gains less losses on financial transactions and impairments on Group companies	8,748	16,292		1,790
Total gain or loss recognized in Equity	519			
Purchases/ Issues	30,101			
Sales	(46,723)	(4,155)		
Repayments	(913)			12,205
Transfers to Level 3 from Level 2	163,030	8,732		
Transfers from Level 3 to Level 2	(10)	(635)		
Transfers from Level 3 to Level 1	(1,113)			
<b>Balance 31.12.2017</b>	<b>207,755</b>	<b>26,556</b>	<b>(1)</b>	<b>-</b>
Gain/(loss) included in the income statement and relate to financial instruments included in the balance sheet at the end of the reporting period 1.1 - 31.12.2017:				
- Net interest income	1,939	962		
- Gains less losses on financial transactions and impairments on Group companies	(3,308)	16,292		

Derivative financial instruments of the comparative year refer to the valuation of an embedded derivative issued by a subsidiary of the Group. Following the transition to IFRS 9, this derivative is not separated from the main instrument.

During the previous year, bonds were transferred from Level 2 to Level 3 amounting to € 163,030, since non-observable parameters were used for valuation purposes. In addition, during the previous year, a bond was transferred from Level 3 to Level 2 amounting to € 10, since observable parameters were used for valuation purposes.

Furthermore, during the previous year, a transfer of listed shares took place from Level 3 to Level 1 amounting to € 1,113 due to their valuation on the stock exchange value.

#### 40.5 Transfers of financial assets

The Bank in its ordinary course of business, transfers financial assets. In cases that, despite the fact that the contractual right to receive cash flows has been transferred the risks and rewards remain with the Bank, these assets continue to be recognized on the balance sheet.

On 31.12.2018, the financial assets that have not been derecognized despite the contractual transfer of their cash flows, are derived from the following two categories of transactions:

##### a) Securitizations of financial assets

The Bank has securitized corporate, consumer loans and credit cards in order to absorb liquidity from the Euro system. In the context of these transactions, these items have been transferred to special purpose entities, which have issued bonds. These loans and credit cards continue to be recognized as loans and advances to customers, since the Bank continues in all cases to retain the rewards and risks associated with them. This is justified by several factors which include the fact that the Bank owns these bonds and the entitlement to the deferred consideration from the transfer. Given that bonds are owned by the Bank, there are no liabilities for the Bank which actually arises from the transfer. The carrying amount of the securitized loans and credit cards on 31.12.2018 amounts to € 3,031,906 (31.12.2017: € 3,079,453).



In addition, the Bank proceeded to a shipping loan securitization transaction through the fully consolidated special purpose company Alpha Shipping Finance Ltd. These loans are recognized in the category of loans and advances to customers as the Bank retains the risks and benefits of the portfolio through entitlement to deferred consideration paid. The carrying amount of the securitized shipping loans and the liability to the SPE, as at 31.12.2018 amounted to €498,904 and €245,377 respectively (31.12.2017: €523,422 and €293,532 respectively). The fair value of loans as at 31.12.2018 amounted to €511,636 (31.12.2017: €523,300) and the liability at €249,772 (31.12.2017: €291,182).

Finally, the Bank securitized corporate loans to small and medium enterprises, through Alpha Proodos DAC, a fully consolidated special purpose entity. These loans continue to be recognized in loans and advances to customers, considering that the Bank retains the risks and rewards of these, by owning the subordinated bonds and entitlement of deferred consideration. The carrying value of the above securitized loans as well as the Bank's liability to Alpha Proodos DAC amounts to €401,803 and €61,963 as at 31.12.2018, respectively (31.12.2017: €586,680 and €238,504 respectively). The loan's fair value amounts to €423,085 as at 31.12.2018, while the respective liability amounted to €64,839 (31.12.2017: €611,237 and €245,631 respectively).

### b) Sale and repurchase agreements of debt securities

The Bank on 31.12.2018 has proceeded with the transfer of Greek Government Bonds and Treasury Bills and bonds of other issuers.

These securities are still recognised in the Bank's investment portfolio and the respective figures are presented in the following table.

	31.12.2018			
	Securities measured at fair value through other comprehensive income			
	Greek Government Bonds and Treasury Bills	Other Governments Bonds	Bonds of other issuers	EFSF Bonds
Carrying amount of transferred securities	2,883,561		286,666	
Carrying amount of related liability	(2,345,399)		(191,213)	
Fair value of transferred securities	2,883,561		286,666	
Fair value of related liability	(2,345,399)		(191,213)	
<b>Equity</b>	<b>538,162</b>	<b>-</b>	<b>95,453</b>	<b>-</b>

	31.12.2017			
	Available for sale portfolio			
	Greek Government Bonds and Treasury Bills	Other Governments Bonds	Bonds of other issuers	EFSF Bonds
Carrying amount of transferred securities	297,226	135,766	340,704	237,505
Carrying amount of related liability	(228,765)	(135,717)	(258,734)	(238,309)
Fair value of transferred securities	297,226	135,766	340,704	237,505
Fair value of related liability	(228,765)	(135,717)	(258,734)	(238,309)
<b>Equity</b>	<b>68,461</b>	<b>49</b>	<b>81,970</b>	<b>(804)</b>

The Bank on 31.12.2017, has proceeded with the transfer of Greek Government Bonds and Treasury Bills, bonds of other issuers, bonds of other states and bonds of European Financial Stability Facility (EFSF) with a repurchase agreement. These securities are still recognised in the Bank's investment portfolio and the respective figures are presented in the table above.



#### 40.6. Offsetting financial assets - liabilities

The following tables present derivative transactions under contracts of the International Swaps and Derivatives Association (ISDA), which are signed with credit institutions as counterparties, as well as repurchase agreements for which a global master repurchase agreement is in force. In accordance with these contracts, the Bank is able to offset its assets and liabilities relating to a counterparty in case of a credit default.

##### Financial assets subject to offsetting

31.12.2018						
	Gross amount of recognized financial assets	Gross amount of recognized financial liabilities offset	Net amount of financial assets presented in the balance sheet	Related amounts not offset		Net amount
				Financial instruments	Cash collateral received	
Derivatives	613,124		613,124	(170,017)	(48,629)	394,478
Reverse repos	498,901		498,901	(498,901)		

31.12.2017						
	Gross amount of recognized financial assets	Gross amount of recognized financial liabilities offset	Net amount of financial assets presented in the balance sheet	Related amounts not offset		Net amount
				Financial instruments	Cash collateral received	
Derivatives	505,623		505,623	(129,274)	(67,582)	308,767
Reverse repos	39,654		39,654	(39,650)	(4)	

##### Financial liabilities subject to offsetting

31.12.2018						
	Gross amount of recognized financial liabilities	Gross amount of recognized financial assets offset	Net amount of financial liabilities presented in the balance sheet	Related amounts not offset		Net amount
				Financial instruments	Cash collateral given	
Derivatives	1,136,976		1,136,976	(170,017)	(966,055)	903
Repos	906,481		906,481	(498,901)	(2,309)	405,271

31.12.2017						
	Gross amount of recognized financial liabilities	Gross amount of recognized financial assets offset	Net amount of financial liabilities presented in the balance sheet	Related amounts not offset		Net amount
				Financial instruments	Cash collateral given	
Derivatives	1,034,114		1,034,114	(129,274)	(903,325)	1,515
Repos	39,650		39,650	(39,650)		

**Reconciliation of the net amount of financial assets and liabilities presented in the balance sheet**

31.12.2018				
	Note	Net amount presented in the balance sheet	Carrying amount of financial assets in the balance sheet	Financial assets not in scope of offsetting disclosures
<b>Type of financial asset</b>				
Derivative financial instruments	18	613,124	730,215	117,091
Reverse repos	16	498,901	498,901	

31.12.2018				
	Note	Net amount presented in the balance sheet	Carrying amount of financial liabilities in the balance sheet	Financial liabilities not in scope of offsetting disclosures
<b>Type of financial liability</b>				
Derivative financial instruments	18	1,136,976	1,149,513	12,537
Repos	27	906,481	6,410,323	5,503,843

31.12.2017				
	Note	Net amount presented in the balance sheet	Carrying amount of financial assets in the balance sheet	Financial assets not in scope of offsetting disclosures
<b>Type of financial asset</b>				
Derivative financial instruments	18	505,623	628,133	122,510
Reverse repos	16	39,654	39,654	

31.12.2017				
	Note	Net amount presented in the balance sheet	Carrying amount of financial liabilities in the balance sheet	Financial liabilities not in scope of offsetting disclosures
<b>Type of financial liability</b>				
Derivative financial instruments	18	1,034,114	1,037,174	3,060
Repos	27	39,650	2,719,980	2,680,330

In addition, it is acquainted that within the framework of the abovementioned contracts, apart from the cash collateral received, securities of nominal amount of € 400,000 (31.12.2017:€ 300,000) have been used as collateral.

**41. Impact of the implementation of IFRS 9**

The new accounting standard IFRS 9 replaced IAS 39 from 1 January 2018, which imposing fundamental changes in the way financial instruments are classified and measured. For the application of the new standard, the Bank has launched an Implementation Program, which was organized around two main work streams, the classification and measurement work stream and the impairment work stream.

The Committees of the Board of Directors (Audit Committee and Risk Management Committee) have assumed an active role including involvement in the decision making process on key assumptions and decisions related to the Implementation Program.



On the completion of the Implementation Program, new policies have been developed for the classification, measurement and impairment of financial instruments that have been approved by the Committees of the Board of Directors. New methodologies and procedures have also been implemented to support these new policies.

The following table presents reconciliation of the transition from IAS 39 to IFRS 9 as at 1.1.2018.

	31.12.2017 IAS 39	Reclassification	Measurement Impact	1.1.2018 IFRS 9
<b>ASSETS</b>				
Cash and balances with central banks	774,882			774,882
Due from banks	2,227,791		(14,674)	2,213,117
Trading securities	6,544	6,495		13,039
Derivative financial assets	628,133			628,133
Loans and advances to customers measured at amortized cost	38,521,136	(425,149)	(1,285,677)	36,810,310
Loans and advances to customers measured at fair value through profit or loss		425,149	1,204	426,353
Investment securities				-
- Available for sale	4,887,356	(4,887,356)		-
- Held to maturity	319	(319)		-
- Fair value through other comprehensive income		4,726,933		4,726,933
- Fair Value through profit or loss		154,247	(224)	154,023
Investments in subsidiaries, associates and joint ventures	2,048,931			2,048,931
Investment property	26,379			26,379
Property, plant and equipment	628,956			628,956
Goodwill and other intangible assets	350,783			350,783
Deferred tax assets	4,282,208		409,322	4,691,530
Other Assets	1,253,995			1,253,995
Assets held for sale	217,285			217,285
<b>Total Assets</b>	<b>55,854,698</b>	<b>-</b>	<b>(890,049)</b>	<b>54,964,649</b>
<b>LIABILITIES</b>				
Due to banks	13,751,850			13,751,850
Derivative financial liabilities	1,037,174			1,037,174
Due to customers	30,255,030			30,255,030
Debt securities in issue and other borrowed funds	557,949			557,949
Liabilities for current income tax and other taxes	17,920			17,920
Employee defined benefit obligations	89,441			89,441
Other Liabilities	824,340			824,340
Provisions	175,307		113,711	289,018
<b>Total Liabilities</b>	<b>46,709,011</b>	<b>-</b>	<b>113,711</b>	<b>46,822,722</b>
<b>EQUITY</b>				
Share capital	463,110			463,110
Share premium	10,801,029			10,801,029
Reserves	572,832	40,814	62,670	676,316
Retained earnings	(2,691,284)	(40,814)	(1,066,430)	(3,798,528)
<b>Total Equity</b>	<b>9,145,687</b>	<b>-</b>	<b>(1,003,760)</b>	<b>8,141,927</b>
<b>Total Liabilities and Equity</b>	<b>55,854,698</b>	<b>-</b>	<b>(890,049)</b>	<b>54,964,649</b>

The existing portfolio on 1.1.2018, was classified as follows:

- Loans and advances to customers and due from banks were included in business models that permit the classification of instruments at amortised cost (hold to collect), to the extent that from the assessment of their contractual terms it is concluded that their contractual cash flows meet the definition of principal and interest as defined by the new Standard (SPPI test). Upon transition, only a limited number of existing loans to customers failed the SPPI test. The main reasons



which caused the SPPI test to fail include the existence of conditions under which the Bank is not entitled to claims of unpaid amounts (these terms are either expressed explicitly in the contractual agreements or implicitly arise in the case of loans to special purpose entities on which a substantial part of the entity's asset's value is financed or the cash flows from the entity's asset are not sufficient to repay the loan and at the same time, the entity's equity is inadequate and there are no sufficient collaterals) or the existence of shares conversion clauses into the entity's - borrower's shares.

b. For bonds and in general for fixed income investments, the Bank has identified the following business models:

- business model that aims to hold the financial instruments in order to collect their contractual cash flows (hold to collect),
- business model, that aims to both collect the contractual cash flows and sell the financial asset (hold to collect and sell)
- trading portfolio

During the transition to the new standard, the majority of the bonds were classified into the business model, whose objective is achieved both by collecting contractual cash flows and by selling financial assets and, therefore, to the extent that their cash flows were solely principal and interest on the principal amount outstanding, were classified in the fair value through other comprehensive income category. Bonds classified in the trading portfolio as well as those whose cash flows did not represent solely of principal and interest on the principal amount outstanding were classified as financial assets measured at fair value through profit or loss.

c. The Bank has opted to measure at fair value through other comprehensive income, its equity instruments in the banking sector or private equity participations and long term equity holdings that meet the definition of an equity instruments. The changes in fair value as well as any gains or losses are recognized directly in equity without being recycled to profit or loss. Any dividends that will be received are recognized in profit or loss.

d. All other investments in equity instruments, as well as in mutual funds that do not meet the definition of an equity instrument, are measured at fair value through profit or loss.

Based on the classification options described above, under b, c and d, available for sale securities of € 4,887,356 as at 31.12.2017, were reclassified as follows: € 6,495 to trading securities, € 4,726,933 to securities measured at fair value through other comprehensive income and € 153,928 to securities measured at fair value through profit or loss. Following these reclassifications, total equity remained unchanged.

Securities held to maturity of € 319 as at 31.12.2017, were reclassified to securities measured at fair value through profit or loss. Following this reclassification, total equity has been negatively affected by € 224.

e. Derivatives included in the trading portfolio have not been affected as they are measured at fair value through profit or loss both before and after the implementation of IFRS 9.

f. The Bank has not opted to designate at initial recognition debt securities as measured at fair value through profit or loss.

Financial liabilities are measured at amortised cost; thus they are not affected by the implementation of IFRS 9 and there was no need to separately measure or present changes in fair value due to credit risk.

The following table presents the impact after tax, on Reserves and Retained earnings, as a result of the transition to IFRS 9.

<b>Reserves of financial assets measured at fair value through other comprehensive income</b>	
<b>Balance as at 31.12.2017 in accordance with IAS 39</b>	<b>296,850</b>
Reclassification of investment portfolio bonds to fair value through profit or loss	71,812
Reclassification of investment portfolio shares to fair value through other comprehensive income	(11,894)
Reclassification of other variable yield securities of investment portfolio at fair value through profit or loss	(1,728)
Expected credit loss in accordance with IFRS 9 for bonds at fair value through other comprehensive income	88,268
Income tax	(42,974)
<b>Opening balance as at 1.1.2018 in accordance with IFRS 9</b>	<b>400,334</b>



<b>Retained earnings</b>	
<b>Balance as at 31.12.2017 in accordance with IAS 39</b>	<b>(2,691,284)</b>
Reclassification in accordance with IFRS 9 of investment portfolio shares to fair value through other comprehensive income	11,894
Reclassification in accordance with IFRS 9 of other variable yield securities of investment portfolio at fair value through profit or loss	1,728
Reclassification in accordance with IFRS 9 of investment portfolio bonds at fair value through profit or loss	(71,812)
Expected credit loss and valuation in accordance with IFRS 9	(1,501,350)
Income Tax	452,296
<b>Balance at 1.1.2018 in accordance with IFRS 9</b>	<b>(3,798,528)</b>

The following table presents a reconciliation of accumulated provision for impairment losses of financial assets between IAS 39 and IFRS 9 as at 31.12.2017 and as at 1.1.2018, respectively.

It is noted that the accumulated provision for impairment losses, in regards with the following disclosure, includes the adjustment for the contractual loans which were acquired at fair value during the acquisition of assets or companies (i.e. Emporiki Bank and Citibank's retail operations in Greece), since the Bank monitors from credit risk prospective, the respective adjustment as part of the provisions.

	31.12.2017 IAS 39	Reclassification of loans to fair value through profit or loss	Other Reclassifications	Remeasurement	1.1.2018 IFRS 9
<b>Financial Assets</b>					
Due from banks	41,961		28,000	14,674	84,635
Receivables from customers				21,885	21,885
Loans measured at amortized cost	10,951,893	(149,053)	(223,932)	1,263,792	11,842,700
<b>Total impairment on financial assets measured at amortised cost</b>	<b>10,993,854</b>	<b>(149,053)</b>	<b>(195,932)</b>	<b>1,300,351</b>	<b>11,949,220</b>
Investment securities measured at fair value through other comprehensive income				88,268	88,268
<b>Total impairment on financial assets measured at fair value through other comprehensive income</b>				<b>88,268</b>	<b>88,268</b>
<b>Provisions for off-balance sheet items</b>	<b>11,712</b>			<b>113,711</b>	<b>125,423</b>



The following table presents loans measured at amortised cost by IFRS 9 stage, as at 1.1.2018, after taking into account the impact of IFRS 9.

1.1.2018					
	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired loans (POCI)	Total
<b>Mortgage</b>					
Carrying amount (before provision for impairment losses)	4,638,136	3,109,272	5,213,188	3,129,196	16,089,792
Expected credit losses	(4,602)	(141,235)	(1,637,452)	(834,311)	(2,617,600)
<b>Net Carrying Amount</b>	<b>4,633,534</b>	<b>2,968,037</b>	<b>3,575,736</b>	<b>2,294,885</b>	<b>13,472,192</b>
<b>Consumer</b>					
Carrying amount (before provision for impairment losses)	564,847	523,064	1,982,992	1,417,950	4,488,853
Expected credit losses	(4,123)	(79,173)	(1,129,857)	(602,446)	(1,815,599)
<b>Net Carrying Amount</b>	<b>560,724</b>	<b>443,891</b>	<b>853,135</b>	<b>815,504</b>	<b>2,673,254</b>
<b>Credit Cards</b>					
Carrying amount (before provision for impairment losses)	810,209	251,939	319,006	117,848	1,499,002
Expected credit losses	(8,785)	(66,652)	(245,228)	(103,573)	(424,238)
<b>Net Carrying Amount</b>	<b>801,424</b>	<b>185,287</b>	<b>73,778</b>	<b>14,275</b>	<b>1,074,764</b>
<b>Small business loans</b>					
Carrying amount (before provision for impairment losses)	308,056	604,208	3,683,368	1,220,098	5,815,730
Expected credit losses	(2,226)	(75,909)	(1,501,144)	(753,385)	(2,332,664)
<b>Net Carrying Amount</b>	<b>305,830</b>	<b>528,299</b>	<b>2,182,224</b>	<b>466,713</b>	<b>3,483,066</b>
<b>Total retail lending</b>					
Carrying amount (before provision for impairment losses)	6,321,248	4,488,483	11,198,554	5,885,092	27,893,377
Expected credit losses	(19,736)	(362,969)	(4,513,681)	(2,293,715)	(7,190,101)
<b>Net Carrying Amount</b>	<b>6,301,512</b>	<b>4,125,514</b>	<b>6,684,873</b>	<b>3,591,377</b>	<b>20,703,276</b>
<b>Corporate lending and Public sector</b>					
Carrying amount (before provision for impairment losses)	9,610,390	2,748,243	6,635,376	1,586,235	20,580,244
Expected credit losses	(201,593)	(175,935)	(3,282,083)	(992,988)	(4,652,599)
<b>Net Carrying Amount</b>	<b>9,408,797</b>	<b>2,572,308</b>	<b>3,353,293</b>	<b>593,247</b>	<b>15,927,645</b>
<b>Total Loans</b>					
Carrying amount (before provision for impairment losses)	15,931,638	7,236,726	17,833,930	7,471,327	48,473,621
Expected credit losses	(221,329)	(538,904)	(7,795,764)	(3,286,703)	(11,842,700)
<b>Net Carrying Amount</b>	<b>15,710,309</b>	<b>6,697,822</b>	<b>10,038,166</b>	<b>4,184,624</b>	<b>36,630,921</b>

“Purchased or originated credit impaired loans” include loans amounting to € 865,004 which as at 1.1.2018 are not credit impaired/ Non Performing Exposures.

The following table presents investment securities at fair value through other comprehensive income by IFRS 9 Stage, as reported at 1.1.2018 after taking into account the impact of IFRS 9.



**Investment portfolio securities measured at fair value through other comprehensive income**

	Stage 1	Stage 2	Total
Balance as at 1.1.2018 in accordance with IFRS 9	4,636,454	28,832	4,665,286
Expected credit losses	(85,169)	(3,099)	(88,268)

**Supervisory impact of the implementation of IFRS 9**

On 25 October 2017, a political agreement was reached between the European Parliament, the European Council and the European Commission agreed on the proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) No 575/2013 regarding the transition period to mitigate the impact of the introduction of IFRS 9 on regulatory capital. The Regulation (2395/2017) was approved by the European Parliament and the Council and published in the Official Gazette of the European Union on 12 December 2017.

In accordance with the transitional provisions, it is allowed that banks may, from the first date of application of IFRS 9 and for a period of five years, add to the CET1 ratio the post-tax amount of the difference in provisions that will result from the transition to the new IFRS 9 in relation to the provisions that would have been recognized at 31.12.2017 in accordance with IAS 39 ("Static" amount). The amount of the difference in provisions added to CET1 ratio will decrease annually on a weighting basis so that the amount of provisions added to the CET1 ratio gradually decreases, until the full impact of IFRS 9 is absorbed by the end of the five-year period (phase-in). The weighting factors were set per year at 0.95 in the first year, 0.85 in 2nd, 0.7 in 3rd, 0.5 in 4th and 0.25 in the last year.

In addition, for a period of five years from the first application of IFRS 9, banks may add/restore to the CET1 ratio the amount, weighted annually with the aforementioned weighting factors, of the post-tax provisions of the impairment categories 1 and 2 at the date of the annual financial statements, to the extent that it exceeds the amount of the corresponding provisions at the date of initial application of IFRS 9 (1.1.2018). Impairment categories 1 and 2 are respectively defined as the expected impairment losses based on the 12 month expected credit losses and the lifetime expected credit losses, excluding credit-impaired financial instruments.

Alpha Bank makes use of Article 473a of the above Regulation and applies the transitional provisions for the calculation of Capital Adequacy on both a standalone and consolidated basis. The Bank is adequately capitalized to meet the needs arising from the application of the new standard as the Group Common Equity Tier 1 (CET 1) ratio stood at 17.4% as at 31.12.2018 based on the transitional provisions, while the impact from full implementation is estimated at approximately 3.4% and the ratio will stand at 14% as at 31.12.2018, for the Group.

**42. Capital adequacy**

The policy of the Bank is to maintain a strong capital base, in order to ensure the Bank's development, and the trust of depositors, shareholders, markets and business partners.

Share capital increases are conducted following resolutions of the General Meeting of Shareholders or of the Board of Directors, in accordance with the Articles of Incorporation and the relevant laws.

For the period that the Hellenic Financial Stability Fund (HFSF) participates in the Share Capital of the Bank, the purchase of own shares is not allowed without its approval, according to the Relationship Framework Agreement (RFA) which has been signed between the Bank and the HFSF.

The Capital Adequacy Ratio compares the Bank's regulatory capital with the risks that the Bank undertakes (Risk Weighted Assets-RWAs). Regulatory capital includes CET1 capital (share capital, reserves, minority interests), additional Tier 1 capital (hybrid securities) and Tier 2 capital (subordinated debt). RWAs include the credit risk of the investment portfolio, the market risk of the trading portfolio and operational risk.



Alpha Bank, as a systemic bank, is supervised by the Single Supervisory Mechanism (SSM) of the European Central Bank (ECB), since November 2014, to which reports are submitted every quarter. The supervision is conducted in accordance with the European Regulation 575/2013 (CRR) and the relevant European Directive 2013/36 (CRD IV), which was incorporated into the Greek Law through the Law 4261/2014. The framework is broadly known as Basel III.

According to the above regulatory framework, for the calculation of capital adequacy ratio the effective transitional arrangements are followed. In addition:

- Besides the 8% capital adequacy limit, there are applicable limits for Common Equity Ratio and Tier I ratio of 4.5% and 6%, respectively
- The maintenance of capital buffers additional to the Common Equity Capital, from 1.1.2016 and gradually until 31.12.2019, is required. In particular:
  - Since 1.1.2018 a capital buffer of 1.875% exists which will rise to 2.5% on 1.1.2019.
  - Bank of Greece, through Executive Committee Acts, set the following capital buffers for 2018:
    - Countercyclical capital buffer equal to "zero percent" (0%) for 2018.
    - Other systemically important institutions' (O-SII) buffer "zero percent" (0%) for 2018.

These limits should be met both on a standalone and on a consolidated basis.

	31.12.2018 (estimation)	31.12.2017
Common Equity Tier I	17.8%	18.7%
Tier I	17.8%	18.7%
<b>Capital Adequacy Ratio</b>	<b>17.8%</b>	<b>18.7%</b>

The decrease in the phase-in ratios compared to 31.12.2017, by 0.9% in CET1 ratio, Tier I ratio and Capital Adequacy Ratio, is mainly due to the fact that the Deferred Tax Assets, which were recognized in the financial statements, exceeded the supervisory threshold of 10%, resulting in their deduction from the regulatory capital.

Alpha Bank successfully concluded the 2018 Stress Test which was conducted based on a static balance sheet approach under a baseline and an adverse macro scenario with a 3 year forecasting horizon (2018-2020). The starting point was December 31st, 2017, restated to account for IFRS 9 impact. Impact was assessed in terms of CET1 ratio. No hurdle rate or capital thresholds were applied for this exercise.

Under the baseline scenario, 2020 CET1 ratio reached 20.4%, following an aggregate impact of +212 bps mainly driven by a strong pre provision income generation.

Under the adverse scenario, 2020 CET1 ratio stood at 9.7%, down by 856 bps, largely driven by the negative impact of credit risk resulting from the stressed macro environment and methodological constraints.

Based on feedback received by the Single Supervisory Mechanism (SSM), the Stress Test outcome, along with other factors, have been assessed by its Supervisory Board, pointing to no capital shortfall. Therefore, no capital plan was required, as a result of the exercise.

	31.12.2017	31.12.2020	
		Baseline scenario	Adverse scenario
CET1 (in Euro millions)	8,987	10,380	4,745
RWAs (in Euro millions)	49,240	50,949	48,982
CET1 (%)	18.3%	20.4%	9.7%



### 43. Related-party transactions

The Bank enters into a number of transactions with related parties in the normal course of business. These transactions are performed at arm's length and are approved by the Bank's committees.

a. The outstanding balances of the Bank's transactions with key management personnel consisting of members of the Bank's Board of Directors and Executive Committee, their close family members and the entities controlled by them, as well as, the results related to these transactions are as follows:

	31.12.2018	31.12.2017*
<b>Assets</b>		
Loans and advances to customers	1,299	1,510
<b>Liabilities</b>		
Due to customers	4,211	5,129
Employee defined benefit obligations	251	244
<b>Total</b>	<b>4,462</b>	<b>5,373</b>
<b>Letters of guarantee and approved limits</b>	<b>2,022</b>	<b>2,075</b>

	FROM 1 JANUARY TO	
	31.12.2018	31.12.2017*
<b>Income</b>		
Interest and similar income	45	47
Fee and commission income	1	1
<b>Total</b>	<b>46</b>	<b>48</b>
<b>Expenses</b>		
Interest expense and similar charges	19	15
Fees paid to key management and close family members	3,566	3,604
<b>Total</b>	<b>3,585</b>	<b>3,619</b>

b. The outstanding balances with the Bank's subsidiaries, associates and joint ventures as well as the results related to these transactions are as follows:

#### i. Subsidiaries

	31.12.2018	31.12.2017
<b>Assets</b>		
Due from banks	714,813	962,305
Derivative financial assets	5,063	5,609
Loans and advances to customers	2,017,258	2,258,075
Investment securities measured at fair value through other comprehensive income	197,337	
Investment securities measured at fair value through profit or loss	213,759	
Available for sale securities		379,434
Other assets	825	16,160
<b>Total</b>	<b>3,149,055</b>	<b>3,621,583</b>
<b>Liabilities</b>		
Due to banks	369,058	706,045
Due to customers	793,786	902,807
Derivative financial liabilities	1,622	7,752
Debt securities in issue and other borrowed funds	324,896	550,229
Other liabilities	5,754	8,770
<b>Total</b>	<b>1,495,116</b>	<b>2,175,603</b>
<b>Letters of guarantee and others guarantees</b>	<b>468,323</b>	<b>374,074</b>

\* Several figures of the previous year have been restated in order to be comparable.



For the above outstanding balance of letters of guarantee the Bank has recorded as at 31.12.2018 accumulated provisions amounting to € 20,380.

In addition to the financing of the Bank's subsidiaries companies which have issued bonds, from the Bank, guarantees have been given for the issuance of these bond loans on 31.12.2018 amounting to € 15,542 (31.12.2017: € 15,542).

	FROM 1 JANUARY TO	
	31.12.2018	31.12.2017
<b>Income</b>		
Interest and similar income	51,800	57,070
Fee and commission income	16,780	16,798
Dividend income	8,013	35,128
Gains less losses on derecognition of financial assets measured at amortised cost	2,736	
Other income	5,485	4,390
<b>Total</b>	<b>84,814</b>	<b>113,386</b>
<b>Expenses</b>		
Interest expense and similar charges	31,429	26,936
Commission expense	359	948
Gains less losses on financial transactions and impairments on Group companies	10,938	5,502
General administrative expenses	17,156	18,109
Impairment losses and provisions to cover credit risk	1,461	
<b>Total</b>	<b>61,343</b>	<b>51,495</b>

## ii. Joint ventures

	31.12.2018	31.12.2017
<b>Assets</b>		
Loans and advances to customers	7,665	94,195
<b>Liabilities</b>		
Due to customers	14,708	7,383

	FROM 1 JANUARY TO	
	31.12.2018	31.12.2017
<b>Income</b>		
Interest and similar income	1,790	2,698
Fee and commission income		15
Other income	29	14
<b>Total</b>	<b>1,819</b>	<b>2,727</b>
<b>Expenses</b>		
Interest expense and similar charges	12	67
Gains less losses on financial transactions and impairments on Group companies	1,180	
<b>Total</b>	<b>1,192</b>	<b>67</b>

**iii. Associates**

	31.12.2018	31.12.2017
<b>Assets</b>		
Loans and advances to customers	53,832	55,515
Other assets	1,921	1,427
<b>Total</b>	<b>55,753</b>	<b>56,942</b>
<b>Liabilities</b>		
Due to customers	21,837	19,240
Other liabilities	4,473	1,270
<b>Total</b>	<b>26,310</b>	<b>20,510</b>

	FROM 1 JANUARY TO	
	31.12.2018	31.12.2017
<b>Income</b>		
Interest and similar income	851	841
Fee and commission income	108	4
Other Income	32	13
<b>Total</b>	<b>991</b>	<b>858</b>
<b>Expenses</b>		
Interest expense and similar charges	8	
General administrative expenses	16,383	5,555
Gains less losses on financial transactions and impairments on Group companies	183	
<b>Total</b>	<b>16,574</b>	<b>5,555</b>

For the impairments of participations and loans to subsidiaries, joint ventures and associates there are references in the relevant notes.

c. The Employees Supplementary Fund maintains deposits with the Bank amounting to € 7 (31.12.2017: € 7).

d. The Hellenic Financial Stability Fund (HFSF) exerts significant influence on the Bank. In particular, in the context of Law 3864/2010 and based to Relationship Framework Agreement (RFA) signed on 23.11.2015, which replaced the previous signed in 2013, HFSF has participation in the Board of Directors and other significant Committees of the Bank. Therefore, according to IAS 24, HFSF and its related entities are considered related parties for the Bank.

The outstanding balances and the results related to these transactions are analyzed as follows:

	FROM 1 JANUARY TO	
	31.12.2018	31.12.2017
<b>Income</b>		
Fee and commission income	10	10



#### 44. Auditors' fees

The total fees of "Deloitte Certified Public Accountants S.A.", statutory auditor of the Bank, are analyzed below, as stated in paragraph 2 and 32, article 29, of Law 4308/2014.

	FROM 1 JANUARY TO	
	31.12.2018	31.12.2017
Fees for statutory audit*	1,404	1,362
Fees for other audit services	308	
Fees for the issuance of tax certificate	195	195
Fees for other non-audit services	148	135
<b>Total</b>	<b>2,055</b>	<b>1,692</b>

#### 45. Assets held for sale

	31.12.2018	31.12.2017
Investments in subsidiaries, associates and joint venture	958,377	59,183
Fixed Assets	29,598	
Loans to customers	55,925	158,102
<b>Total</b>	<b>1,043,900</b>	<b>217,285</b>

The Bank has commenced the process for the sale of the subsidiary APE Fixed Assets S.A., joint venture APE Investment Property S.A. as well as the sale of retail and wholesale loan portfolios, the balances of which are presented in the table above and described in detail below.

Additionally, during 2018, part of the sale of retail and wholesale loan portfolios was completed, whereas during 2017, the sale of the subsidiary Alpha Bank Srbija A.D. was completed as well as the sale of EL.PET Valkaniki S.A., investment of APE Commercial Property S.A., as described below.

#### Investment in companies APE Fixed Assets SA, APE Commercial Property SA, APE Investment Property SA

Consultants were engaged in 2016 and the disposal procedure of the Bank's participations in APE Fixed Assets S.A., APE Commercial Property S.A. and APE Investment Property S.A. began. APE Fixed Assets S.A. is a Bank's subsidiary, while APE Commercial Property S.A. and APE Investment Property S.A. are joint ventures, where the control is exercised jointly by the Bank and the other shareholder.

The companies were classified as "Assets held for sale" in accordance with IFRS 5. As regards to APE Investment Property A.E., the Bank is at an advanced stage in the selling process of the above mentioned investment with investors, and estimates that the transaction process will be possible to complete in the near future. As far as APE Commercial Property is concerned, it should be noted that the process of the disposal of its investment in EL.PET. Valkaniki S.A. was completed during the fourth quarter of 2017.

In addition, during the year 2018, the Bank participated to the share capital increase of APE Investment Property S.A. with an amount of € 71,704, whereas the company repaid the loan which has been granted by the Bank. Also, APE Commercial Property S.A. proceed with a capital repayment amounting to € 11,484 during the year 2018 (note 48).

In addition, as of 31.12.2018, the Bank's participation in APE Fixed Assets S.A. was reclassified from "Assets held fo sale" to "Investments in subsidiaries, associates and joint ventures" as it did not meet the criteria of the IFRS 5. The recoverable amount of the participation at the time of the reclassification to "Investments in subsidiaries, associates and joint ventures" was not changed compared to its recoverable amount as of 31.12.2017.

\* The statutory audit fee for the compulsory audit of financial statements includes related expenses amounting up to 2% of the approved fee.



According to IFRS 5 the assets held for sale or disposal groups are valued at the lower of carrying amount and fair value less cost to sell and they are presented in the balance sheet separately from other assets and liabilities. The Bank proceeded to the measurement of the fair value of the participation as well as of loans and receivables from these companies which consist a part of its net investment.

From the aforementioned valuation during 2017 gains amounting to € 330 arose and were recognized in the caption "Gains less losses on financial transactions and impairments on Group companies" in the Income Statement, whereas for year 2018 a loss amounting to € 9,316 arose, which was recorded in the caption "Gains less losses on financial transactions and impairments on Group companies" in the Income Statement.

In the table below an analysis of the specific assets concerning APE Commercial Property SA and APE Investment Property SA is presented for the year 2018 and 2017 as well as the specific assets concerning APE Fixed Assets S.A. for the comparative period, which was classified in the Balance Sheet as «Assets held for sale».

	31.12.2018	31.12.2017
Loans		49,600
Investments in subsidiaries, associates and joint venture	46,217	37,401
<b>Total Assets held for sale</b>	<b>46,217</b>	<b>87,001</b>

The abovementioned investments of the Bank are included in the "Other/Elimination Center" operating segment of note 39 "Operating Segments" while loans for 2017 are included in the 'Corporate Banking 'operating segment.

### Investments in other subsidiaries

The Bank, in order to optimize the Group's corporate structure, has begun in 2018 to reorganize the Group's main subsidiaries through grouping similar business units under three corresponding pillars, which will be controlled by Group companies. The first pillar will include companies operating in the financial sector in Greece, the second one comprises of companies operating in the financial sector in Europe and the third pillar will include real estate related companies.

The companies of the Group that will be included in the first pillar are ABC Factors S.A., Alpha Asset Management A.E.D.A.K., Alpha Finance A.E.P.E.Y., Alpha Leasing S.A. with a total carrying amount of € 261,445 as at 31.12.2018.

In the second pillar will be included Alpha Bank Romania SA, Alpha Bank Cyprus SA, Alpha Bank Albania AH.A as well as AGI Cypre Ermis Ltd with a total carrying amount of € 587,651 as at 31.12.2018.

In the third pillar will be included Emporiki Ventures Capital Emerging Markets Ltd, AEP Attikis SA and AEP Attikis II SA with a total carrying amount of € 40,827 as at 31.12.2018.

In this context and as they met the requirements of IFRS 5, on 31.12.2018, the Bank transferred to "Assets held for sale" the aforementioned subsidiary companies that fall under the reorganization plan, with the exception of AEP Attikis II S.A., which was classified as held for sale in the preparation of the Annual Financial Statements as at 31.12.2017. The investments were valued at the lower of their carrying amount and their fair value less costs to sell, which amounted to a total of € 868,142. The aforementioned valuation resulted in losses of € 184,857, recognized in " Gains less losses on financial transactions and impairments on Group companies" in the Income Statement.

The abovementioned investments of the Bank are included in the "Other/Elimination Center" operating segment of note 39 "Operating Segments".

Regarding the participation of the Bank in AEP Attikis II SA, which was classified as held for sale as of 31.12.2017, the Bank and its subsidiary Alpha Group Investments Ltd had signed with an interested investor a memorandum of understanding, for the disposal of AEP Attikis II SA and had proceeded to negotiate the details of the terms of the sale. The main terms of transfer of 100% of the share capital of AEP Attikis II SA were agreed with the investor during the fourth quarter of 2017 and it was estimated that the disposal will be completed within the next year.



The participation was valued at the lower of the carrying amount and fair value less costs to sell, recognizing a loss amounting to € 17,118 in "Gains less losses on financial transactions and impairments on Group companies" in the Income Statement of 31.12.2017. The carrying amount of the participation after the abovementioned valuation amounted to € 21,782.

During the year 2018, the above mentioned transaction was cancelled.

#### **Investment in associates - Alpha Investment Property I S.A.**

During the year 2018, the Bank initiated the process of obtaining binding offers for its participation in the associate company Alpha Investment Property I SA and on 8.3.2019 the agreement with the preferred investor was signed, while the transaction is expected to be completed in the first semester of 2019.

Based on the above, and considering that the requirements of IFRS 5 are met, the Bank's participation in Alpha Investment Property I SA was classified as "Assets held for sale" for the purposes of the preparation of Financial Statements as of 31.12.2018. The participation was valued at the lower of the carrying amount and the fair value less costs to sell. From the aforementioned valuation no result occurred. The carrying amount of the participation after the aforementioned valuation amounted to € 22,236 and is included in the "Other/Elimination Center" operating segment of note 39 "Operating Segments".

#### **Loans portfolio**

The Bank initiated in 2017 and 2018 the process for the disposal of four loan portfolios, as described below:

##### **Loan Portfolio A: Non-performing wholesale loans**

During 2017, the Bank initiated the process of the sale of Non-performing Wholesale loans. These loans, with carrying amount of € 43,902 as at 31.12.2017, met the criteria to be classified as "Assets held for sale" according to IFRS 5 and were included in the "Corporate Banking" operating segment of note 39 "Operating Segments".

During the first semester of 2018 the transfer of Non – performing Wholesale loans portfolio was completed. The transaction price after taking into consideration the transaction costs and other liabilities, amounted to € 41,608, while a loss of amount € 1,846 was recognized in the caption "Gains less losses on derecognition of financial assets measured at amortized cost".

##### **Loan Portfolio B: Non Performing and uncollateralized retail loan portfolio**

During 2017, the Bank initiated the process of the sale of Non-Performing and uncollateralized retail loans, which included receivables from consumer loans, credit cards and small-business loans.

These loans, with a carrying amount of € 64,600 as at 31.12.2017, met the criteria to be classified as "Assets held for sale" according to IFRS 5 and were included in the "Retail banking" operating segment of note 39 "Operating Segments".

On 23.3.2018, the transfer of part of Non Performing and uncollateralized Retail Loans portfolio was completed whereas the remaining portfolio was transferred on 14.9.2018. The transaction price after taking into consideration the transaction costs and other liabilities, amounted to € 76,078, while gains amounting to € 13,828 were recognized in the caption "Gains less losses on derecognition of financial assets measured at amortized cost".

##### **Loan Portfolio C: Non Performing wholesale loan portfolio**

During 2018, the Bank initiated the process of the sale of Non Performing Wholesale Loans.

On 27.12.2018, the transfer of part of the above mentioned loan portfolio was completed. The transaction price for the disposed portfolio after taking into consideration the transaction costs and other liabilities, amounted to € 258,833, while losses of € 17,659 were recognized in the caption "Gains less losses on derecognition of financial assets measured at amortized cost".

The carrying amount of the remaining portfolio for which the completion of disposal depends on certain conditions, as at 31.12.2018 amounted to € 55,925. From the aforementioned portfolio an amount of € 31,152 is included in the operating segment «Corporate banking» and an amount of € 24,773 is included in the operating segment «Investment banking/ Treasury» in note 39 «Operating Segments».





Since, the requirements of IFRS 5 are met for the above mentioned portfolio, the Bank classified as at 31.12.2018 these loans in "Assets held for sale".

#### **Loan Portfolio D: Non Performing and uncollateralized retail loan portfolio**

During 2018, the Bank commenced the process of the sale of Non Performing retail loans, which included receivables from consumer loans, credit cards and small-business loans.

On 21.12.2018, the transfer of non Performing and uncollateralized retail loan portfolio in Greece was completed. The transaction price after taking into consideration the transaction costs and other liabilities, amounted to € 62,612, while gains amounting to € 7,846 were recognized in the caption "Gains less losses on derecognition of financial assets measured at amortized cost".

#### **Fixed assets**

In combination with the transaction concerning the above mentioned Loan Portfolio C, the Bank initiated the process for the disposal of a portfolio of its own used property, investment property and real estate property acquired from auctions. The aforementioned assets as at 31.12.2018 met the criteria of IFRS 5 to be classified as "Assets held for Sale". The assets were measured at the lower of the carrying amount and the fair value less costs to sell. From the valuation of the assets a loss amounting to € 2,199 arose during the year 2018 which was recognized in "Other expenses" in the Income Statement. The carrying amount as at 31.12.2018 of the aforementioned portfolio of assets amounts to € 29,598 and is included in the "Other/Elimination center" operating segment of note 39 "Operating Segments".

#### **Investment in subsidiary Alpha Bank Srbija A.D.**

The Bank during the A' semester of 2017 completed the transfer of its subsidiary Alpha Bank Srbija A.D. The results of the comparative period were not affected by the sale as the final consideration did not differ from the fair value as at 31.12.2016 which had been used for the valuation of the investment as the conditions for qualifying as "Held for sale" in accordance with IFRS 5 were met.

In addition, the Bank's participations to the companies "Selonda A.E.G.E.", "Nireus A.E.G.E.", "Forthnet A.E." and "Unisoft A.E." have been classified to Assets held for sale, since the Bank intends to transfer these companies in the near future. The fair value of each of those companies was determined in the amount of one Euro each.

The Bank, at each reporting date, assesses the actions taken within the context of the implementation of the Restructuring Plan in cases where criteria under IFRS 5 are met (note 1.17 ) in order assets and liabilities that are directly associated to be classified as assets held for sale.

## **46. Restructuring Plan**

The Bank completed the implementation of the Restructuring Plan, the revised version of which was approved by the Directorate -General for Competition on 26 November 2015. The final date for the completion of the Restructuring Plan was 31 December 2018.

The main commitments of the Restructuring Plan were:

- Reduction of the number of branches in Greece up to a maximum of 563 up to 31.12.2017.
- Limitation of the number of employees in Greece, in banking and non-banking activities, up to a maximum of 9,504, up to 31.12.2017.
- Reduction of the total costs of the Bank in Greece (Greek banking and non-banking activities) up to a maximum amount of € 933 million, up to 31.12.2017, with the exemption of separation scheme costs and costs related to the Bank's contribution in favor of deposit guarantee funds or resolution funds.
- Apply a maximum limit of annual remuneration packages that the Bank pays to any employee or manager, up to 31.12.2017.



- Reduction of the cost of funding through the decrease of cost of deposits collected in Greece, taking into account the macroeconomic factors at each time.
- To further strengthen the Bank's balance sheet through compliance to net loans to deposits ratio, up to a maximum of 119% on 31 December 2018, as regards to Greek banking activities.
- Reduction of the total size of the portfolio of foreign assets by 30 June 2018.
- Restriction on providing additional capital to foreign subsidiaries.
- Divestment of listed and unlisted companies' securities portfolio (except for specific cases).
- Reduction of the Bank's venture portfolio to € 40 million, up to 31.12.2017.
- Restriction on the purchase of non-investment grade securities.
- Adoption of guidelines regarding Group's credit policy, and the corporate governance framework, as well as, other commitments, which include restrictions on Bank's ability to proceed to specific acquisitions.

Alpha Bank has taken significant actions for the restructuring of its operations in order to fully restore its viability, in accordance with the European Commission's state aid rules. As a result of the relevant actions, the Bank has achieved fully compliance with the above commitments, which cease to be in force from 1 January 2019.

The macroeconomic estimates and assumptions on which the provisions of the revised Restructuring Plan were based, are listed below:

	2014	2015	2016	2017	2018
Nominal GDP (%)	(1.8)	(3.2)	(0.7)	3.4	4.1
Real GDP (%)	0.8	(2.3)	(1.3)	2.7	3.1
Unemployment rate (%)	26.5	26.9	27.1	25.7	24.2
Inflation rate (%)	(1.4)	(0.4)	1.5	0.9	1.0

The Bank's progress towards the full compliance with the commitments included in the Restructuring Plan was monitored and reported to the European Commission on a quarterly basis by Mazars LLP, who had been designated as the Monitoring Trustee of the Restructuring Plan.

#### 47. Disclosures of Law 4151/2013

According to Article 6 of Law 4151/2013, the capitals from dormant deposit accounts will be used by the Greek State to cover government needs, after the write off of rights of depositors or their legal heirs.

According to Law 4261/2014, dormant deposit account to credit Institution is an account on which no transaction by depositors has been recorded for a period of 20 years from the day following the last transaction. The crediting or capitalizing of interest to an account will not constitute a transaction and not interrupt the prescription.

Following the expiry of the 20-year period, the credit institutions in Greece are obliged to: a) transfer to the State the aggregate balance of dormant deposit accounts, including any interest, by the end of April of each year by depositing the relevant amount in a special account in the Bank of Greece b) notify the General Accounting Office (GAO) and the General Directorate of Public Property to fulfill the obligations arising from the Law 4151/2013 and c) to provide information to beneficiaries and heirs after the lapse of 20 years for the transfer of the respective amounts, if asked. The abovementioned amounts will be recorded as income in the Annual State Budget.

The auditors in the notes to the published annual financial statements of credit institutions will confirm whether or not they complied with the provisions of the law on dormant deposits indicating the amount that was transferred to the State.

The Bank based on the suspension of the deadline of Articles 7 and 8 of the Law 4151/2013 about dormant deposit accounts, from the date of enforcement, ratified by the Law 4350/2015 from 18.7.2015 PNP (B' 84/18.07.2015 combined with A' 90/31.7.2015), from 20.7.2015 until 13.11.2017, based on GDOP 0001695 EX 2017/XP1917/13.11.2017 YA (PNP B' 3976/14.11.2017), as well as the provisions of article 257 of the Civil Code, about the calculation of the write off time after



suspension, the Bank has not transferred the balances of the dormant deposit accounts for the fiscal year 2017, due to the non-completion of the 20-years period.

For the fiscal year 2018 the Bank will proceed, at the end of April 2019, to the return of the balances of the dormant deposit accounts to the State, of total amount € 3,160, for which the 20-year period has been completed during the aforementioned fiscal year.

#### 48. Corporate events

- a. On 29.3.2018, the capital repayment of amount € 56 of joint venture Alpha TANEO A.K.E.S was completed.
- b. On 31.5.2018, the Bank participated proportionally in the share capital increase of the joint venture APE Investment Property S.A. by an amount of € 71,704.
- c. On 18.7.2018, the Bank participated in the share capital increase of its subsidiary Alpha Bank Cyprus Ltd for an amount of € 44,585.
- d. On 20.7.2018, the Bank participated proportionally in the share capital increase of the joint venture APE Commercial Property S.A. for an amount of € 39,010 with the capitalization of the "Share premium" reserve.
- e. On 25.7.2018, the Bank participated proportionally in the share capital increase of its subsidiary APE Fixed Assets S.A., for an amount of € 217.
- f. On 2.8.2018, the Bank participated proportionally in the share capital increase of the joint venture Alpha TANEO A.K.E.S., for an amount of € 80.
- g. On 30.8.2018 the Bank participated proportionally in the share capital increase of its subsidiary Emporiki Management S.A., for an amount of € 661.
- h. On 25.9.2018 the capital repayment of amount € 11,484 of the Bank's joint venture APE Commercial Property S.A. was completed.
- i. On 28.9.2018, the Bank participated proportionally in the share capital increase of the joint venture Alpha TANEO A.K.E.S for an amount of € 71.
- j. On 11.10.2018 the entity "Ionian Holdings S.A." was renamed to " Alpha Real Estate Management and Investment S.A.". The objective of the entity was also changed within the context of Group's centralized Real Estate management (excluding Property, Plant and Equipment).
- k. On 20.12.2018 the liquidation of Bank's subsidiary Emporiki Group Finance Plc was completed.
- l. On 20.12.2018, the Bank participated proportionally in the share capital increase of the joint venture Alpha TANEO A.K.E.S. for an amount of € 77.
- m. On 27.12.2018 the sale of the total shares of the subsidiary company of Alpha Ventures S.A to Emporiki Development and Real Estate S.A. was completed for a total consideration of € 36,098.
- n. On 27.12.2018 the sale of the total shares of the subsidiary company of Emporiki Venture Capital Developed Markets Ltd to Alpha Group Investments Ltd was completed for a total consideration of € 25,527.
- o. On 28.12.2018, the Bank participated in the share capital increase of the subsidiary company AGI-CYPRE Ermis Ltd for an amount of € 175,000.
- p. On 31.12.2018, the Bank participated in the share capital increase of the subsidiary company Alpha Group Jersey Ltd for an amount of € 240.
- q. In June 2016 the United Kingdom (UK) voted to leave the European Union (EU). During early 2017, the formal process to leave the EU was triggered and the UK government has been negotiating with the EU since this date. Negotiations are ongoing and it is not expected that a final agreement will be completed until closer to the departure date, originally expected to be March 2019, although there may be a transitional period implemented beyond this date. The Bank has limited presence in the UK. The Group is closely monitoring the developments regarding of the evolution of the departure of the UK from the EU.



## 49. Events after the balance sheet date

a. The provisions of Law 3869/2010 regarding the protection of primary residence, as amended by Article 14 of Law 4346/2015, cease to be in force on 28.2.2019, as defined by Law 4592/2019 entitled "Ratification of the Act of Legislative Content of 31 December 2018" Extension of the application of exception of primary residence from liquidation under Law 3869/2010 (A' 130), extension of the application of reduced VAT rates to the islands of Leros, Lesvos, Kos, Samos and Chios and extension of the application of the "Transport Equivalent " measure of Law 4551/2018 " .

On 26.3.2018 an amendment to the draft Law of the Ministry of Economy and Development entitled "Alignment of Greek legislation with the European Parliament and Council Directive (EU) 2016/943 of 8.6.2016 on the protection of undisclosed know-how and business information (trade secrets) against their unlawful acquisition, use and disclosure (EEL 157, 15.6.2016). Measures for accelerating the work of the Ministry of Economy and other provisions" was submitted, setting out the new framework and rules that will apply from now on.

The proposed regulation introduces a scheme to subsidize the repayment of housing and business loans with mortgage in the main residence of individuals. This program pursues the following two purposes: a) to provide a new framework for the protection of primary residence for economically weak individuals and b) to introduce a restructuring mechanism for non-performing housing and corporate loans, which are secured by a mortgage on principal residence .

Persons who meet the specified conditions can apply for participation in the abovementioned program until 31st December 2019.

The Bank will assess the impact of the adoption of the new law on the provision for impairment losses that will be calculated for certain categories of debtors.

b. From 1.1.2019, the Law 4548/2018 "Reform of the Law of Societes Anonymes" (A' 104 / 13.06.2018) came into force , which in combination with the law for Corporate Transformations replaces the previously in force corporate law 2190/1920 for societe anonymes. The new law is applied to all societe anonymes (listed, special forms) unless otherwise provided. The new law incorporates into Greek Law the provisions of the SRD II Directive for the remunerations of the members of the Board o Directors (rule say on pay), as well as the transactions with related parties, while it takes into consideration the "collective accounts" through which securities are held. The modifications in the legal framework governing the formation and operation of societes anonymes resulting from the implementation of the new law mainly concern the following sections:

- Formation of societe anonyme (legal formation documents, composition of name, corporate documents)
- Share capital (valuation in contribution in kind, minimum share capital required for company's formation, certification of payment of initial share capital or share capital increase),
- Securities issued by societe anonymes: Shares (abolishment of anonymous shares, transfer of shares, minimum nominal value of shares, electronic retention of shares), Warrants, Bonds (extended definition of bond loans), responsibilities of the Board of Directors, Foundation shares
- Board of Directors (composition and operation, responsibilities, faulty decisions, remuneration policy, remuneration report)
- Related parties transactions
- General Assembly Meeting (types of General Assembly Meetings, terms of participation, decision – making rules)
- Minority rights (establishment of shareholders associations)
- Distribution of profits ( distribution of minimum or interim dividend and special reserve)

Considering the fact that the basic characteristics, the structure as well as the general operating principles of a societe anonyme have not altered despite the various changes occurred, the impact from the implementation of the new legal framework is not estimated to be material for the Bank.



The law in respect to “Corporate Transformations” will be effective from 15.4.2019. The fundamental initiative of the new law is that for the first time it is incorporated in Greek legislation, a unanimous framework for all “corporate transformations” applicable to companies of all legal forms. More specifically, the corporate transformations provided are the following: a) merger, b) demerger and c) transformation. The articles of the law provide for the conditions, the process to be followed along with the outcomes of the aforementioned “corporate transformations” while any other transformation apart from those already mentioned is allowed, provided that it is explicitly accepted based on legal framework’s articles. The companies’ legal forms which are allowed to apply or participate in the process of corporate transformation are the following: societe anonymes,, limited liability companies, private capital companies, general partnership companies, limited partnership companies, limited partnerships by shares, joint ventures, provided by paragraph 3 of the article 293 of the Law 4072/2012, european companies (SE), provided by Regulation (EC) 2157/2001, cooperatives, european cooperative societies (SCE) provided by Regulation (EC) 1435/2003. The effect from the implementation of the new legal framework is not estimated to be material for the Bank.

Athens, 28 March 2019

THE CHAIRMAN  
OF THE BOARD OF DIRECTORS

THE CHIEF  
EXECUTIVE OFFICER

THE GENERAL MANAGER  
AND CHIEF FINANCIAL OFFICER

THE ACCOUNTING  
AND TAX MANAGER

VASILEIOS T. RAPANOS  
ID No AI 666242

VASSILIOS E. PSALTIS  
ID No AI 666591

LAZAROS A. PAPAGARYFALLOU  
ID No AK 093634

MARIANNA D. ANTONIOU  
ID No X 694507



## Appendix

According to European Securities and Markets Authority (ESMA) guidelines in relation to Alternative Performance Measures (APMs) which published in October 2015 and came into force on 3 July 2016 on the following tables are disclosed the definitions and the calculations of the related (APMs) which are included in the Board of Directors' Annual Management Report as at 31.12.2018 and in the note Disclosures of Law 4261/5.5.2014, of the Annual Report.

(Amounts in millions of Euro)

	Definition	Calculation		31.12.2018	31.12.2017	
<b>Loans and Receivables to Deposit Ratio</b>	The indicator reflects the relationship of loans and advances to customers before impairment to due to customers	Numerator	+	Loans and advances to customers	51,238	54,356
		Denominator	+	Due to customers	38,732	34,890
		<b>Ratio</b>	=		<b>132.3%</b>	<b>155.8%</b>

(Amounts in millions of Euro)

	Definition	Calculation		31.12.2018	31.12.2017	
<b>Cost/Income Ratio</b>	The indicator reflects the relationship between recurring expenses and income of the period	Numerator	+	Total expenses before impairment losses and provisions to cover credit risk	1,162	1,293
			-	Non recurring expenses	69	191
		Denominator	+	Total Income of the period	2,605	2,467
			+	Share of profit/(loss) of associates and joint ventures	(1)	(3)
			-	Gains less losses on financial transactions and impairments on Group companies	463	145
		<b>Ratio</b>	=		<b>51.0%</b>	<b>47.5%</b>

(Amounts in millions of Euro)

	Definition	Calculation		31.12.2018	31.12.2017	
<b>Cost of Risk Ratio</b>	The indicator reflects the relationship between impairment losses and provisions to cover credit risk, and average balances of loans and advances to customers before impairment losses and fair value adjustments	Numerator	+	Impairment losses and provisions to cover credit risk	1,613	1,005
		Denominator	+	Average balances of loans and advances to customers before impairment losses and fair value adjustments	54,409	58,464
		<b>Ratio</b>	=		<b>2.96%</b>	<b>1.72%</b>

(Amounts in millions of Euro)

	Definition	Calculation		31.12.2018	31.12.2017
<b>Net operating results (before impairment losses and provisions to cover credit risk and income tax)</b>	The balance illustrates the total income minus the total expenses before impairment losses and provisions to cover credit risk and income tax	+	Total income	2,604.9	2,466.7
		-	Total expenses before impairment losses and provisions to cover credit risk and income tax	(1,162.3)	(1,293.0)
		=		<b>1,442.6</b>	<b>1,173.7</b>

(Amounts in millions of Euro)

	Definition	Calculation			31.12.2018	31.12.2017
<b>Return on Assets Ratio</b>	The indicator reflects the relationship of profit/(losses) after income tax to average total assets (arithmetic average opening and closing balance)	Numerator	+	Profit/(losses) after income tax	53	21
		Denominator	+	Average total assets	60,907	62,843
		<b>Ratio</b>	=		<b>0.09%</b>	<b>0.03%</b>

Non recurring expenses include extraordinary events which do not occur with a certain frequency, and events that are directly affected by the current market conditions and/or present significant variation between the reporting periods.

Non recurring expenses of 31.12.2018 are related to impairment losses on fixed and intangible assets, to losses from sales of fixed assets, the provisions for litigation, the extraordinary general administrative expenses as well as the provision for the performance incentives scheme and the costs of the Bank's separation scheme.

Respectively, non recurring expenses as of 31.12.2017 are related to the costs of the Bank's separation scheme, the costs for performance incentives schemes and extraordinary employer's contributions, the impairment losses on fixed assets, the provisions for litigation or reversals of other provisions, the extraordinary general administrative expenses, the cost of annual commission on the amount of deferred tax asset guaranteed by the Greek State (article 8 of Law 4472/19.5.2017) and to reorganization costs.



## Disclosures of Law 4374/2016

According to article 6 of Law 4374/1.4.2016 “Transparency among credit institutions, media companies and subsidized persons” introduced to all credit institutions established in Greece the obligation to publish annually and on consolidated basis:

- All payments made within the year directly or indirectly to media company and its related parties, according to IAS 24, or communication and advertising company.
- All payments made within the year due to donation, subsidy, grant or other grants to individuals and legal entities.

The information required is presented below, in Euro:

<b>PAYMENTS TO MEDIA COMPANIES (Article 6 Par. 1 of Law 4374/2016)</b>	
<b>Name*</b>	<b>Amounts before taxes</b>
1984 PRODUCTIONS AE	20,270.00
Z4 MEDIA ΨΗΦΙΑΚΩΝ ΕΦΑΡΜΟΓΩΝ ΑΕ	64,405.00
ADWEB LTD ΕΤΑΙΡΕΙΑ ΠΕΡΙΟΡΙΣΜΕΝΗΣ ΕΥΘΥΝΗΣ	9,000.00
AGRO BROKERS LTD	750.00
AIRLINK-ΕΛΛ/ΚΕΣ ΕΠΙΧ/ΣΕΙΣ ΕΚΔ.& ΟΠΤΙΚ/ΚΩΝ ΜΕΣΩΝ ΑΕ	34,742.51
ALPHA EDITIONS ΑΕ	18,620.00
ALPHA ΔΟΥΡΥΦΟΡΙΚΗ ΤΗΛΕΟΡΑΣΗ ΑΕ	714,338.49
ALPHA ΡΑΔΙΟΦΩΝΙΚΗ ΑΕ	33,180.58
ANTENNA TV ΑΕ	442,107.28
ASM PUBLICATIONS PC	10,000.00
B2B TECH Α.Ε.	500.00
BANKINGNEWS ΑΕ	65,000.00
BOULEVARD FREE PRESS ΙΚΕ	2,000.00
BRAINBUZZ MEDIA CONSULTING ΙΚΕ	2,000.00
CLOCKWORK ORANGE MINDTRAP LIMITED	10,000.00
CPAN CONNECT - ED PUBLIC AFFAIRS NETWORK LTD BANKWARS.GR	16,500.00
CREATIVE INTERNET SERVICES ΜΟΝ.ΕΠΕ	1,500.00
D.G. NEWSAGENCY ΑΕ	29,287.00
DA ΑΝΩΝ.ΕΜΠΟΡ.ΕΚΔΟΤ.ΣΥΜΜ.ΕΤΑΙΡΕΙΑ	65,500.00
DIMERA ΕΚΔΟΤΙΚΗ ΑΝΩΝΥΜΗ ΕΤΑΙΡΕΙΑ	96,779.00
DOCUMENTO MEDIA ΜΟΝΟΠΡΟΣΩΠΗ ΙΚΕ	94,665.00
DPG DIGITAL MEDIA ΑΕ	48,644.00
ETHOS MEDIA ΑΕ	17,413.21
EUROMEDIA ACTION ΑΕ	6,000.00
FAROSNET ΑΕ	26,638.00
FINANCIAL MARKETS VOICE ΑΕ ΕΦΗΜΕΡ. FM VOICE	11,150.00
FORTHNET MEDIA ΑΕ	99,736.91
FREE SUNDAY ΕΚΔΟΤΙΚΗ ΑΝΩΝΥΜΗ ΕΤΑΙΡΙΑ & ΣΙΑ ΕΕ	19,200.00
FREED ΑΕ	12,148.02
FREENET ΑΕ SOFOKLEOUSIN.GR	5,255.00
FRONTSTAGE ΨΥΧΑΓΩΓΙΚΗ ΑΕ	54,908.69
GLOMAN ΑΕ	9,675.00
GM COMMUNICATION ΙΚΕ	67,780.73

\* Names have not been translated into english.



GREEN BOX ΕΚΔΟΤΙΚΗ ΑΕ	9,550.00
I.H.T. ΚΑΘΗΜΕΡΙΝΗ ΑΕ	909.44
ICAP GROUP ΑΕ	7,500.00
IDENTITY ΑΕ	6,000.00
INFOMARKET ΙΚΕ	21,250.00
INSIDER PUBLICATIONS ΕΚΔΟΣΕΙΣ ΜΟΝ/ΠΗ ΕΠΕ	1,100.00
INTERNATIONAL RADIO NETWORKS ΑΕ ΔΕΕ JAY	51,986.55
INTRASOFT ΤΡΑΠΕΖΑ ΝΟΜΙΚΩΝ ΠΛΗΡΟΦΟΡΙΩΝ	1,320.62
KISS ΑΕ ΜΕΣΑ ΜΑΖΙΚΗΣ ΕΝΗΜΕΡΩΣΗΣ	32,322.43
KONTRA ΙΚΕ	9,000.00
KONTRA MEDIA ΜΕΣΑ ΜΑΖΙΚΗΣ ΕΝΗΜΕΡΩΣΗΣ Α.Ε.	110.00
LEFT MEDIA ΑΝΩΝΥΜΟΣ ΡΑΔΙΟΦΩΝΙΚΗ ΤΗΛΕΟΠΤΙΚΗ ΑΕ	17,898.06
LIQUID MEDIA ΑΕ	49,363.00
LOVE RADIO BROADCASTING ΑΕ	23,632.78
M.N.MARKETNEWS LIMITED	8,713.00
MARATHON PRESS ΙΚΕ	800.00
MASTER MINDS PRIVATE COMPANY	1,000.00
MEDIA2DAY ΕΚΔΟΤΙΚΗ ΑΝΩΝΥΜΗ ΕΤΑΙΡΙΑ	122,339.81
MEDIHOLD ΕΚΔΟΤΙΚΗ ΔΙΑΦΗΜΙΣΤΙΚΗ ΑΕ	4,500.00
MINDTHEGAP MEDIA COMMUNICATIONS ΜΟΝ ΙΚΕ	3,000.00
MONOCLE MEDIA LAB ΜΟΝΟΝΕWS Μ ΙΚΕ	27,720.00
N.S.P RADIO ΡΑΔΙΟΦΩΝΙΚΗ ΑΕ	11,455.78
NEW MEDIA NETWORK SYNAPSIS ΑΕ	89,298.00
NEWPOST PRIVATE COMPANY NEWPOST.GR	41,200.00
NEWSFRONT ΝΑΥΤΙΛΙΑΚΕΣ ΕΚΔΟΣΕΙΣ ΙΚΕ	370.00
NEWSIT ΕΠΕ	85,790.00
NK MEDIA GROUP ΕΠΕ	51,800.00
NOTICE CONTENT & SERVICES ΜΟΝ. ΙΚΕ	450.00
OLIVE MEDIA ΑΕ	36,192.00
PARALOT MEDIA & MARKETING LIMITED	4,500.00
PARTY FM ΡΑΔΙΟΦΩΝΙΚΗ ΑΕ	1,440.00
PERFECT MEDIA ADVERTISING MIKE	20,750.00
PHAISTOS NETWORKS ΑΕ	4,563.00
PLAN Α ΤΗΛΕΟΠΤΙΚΕΣ & ΕΚΔΟΤΙΚΕΣ ΕΠΙΧΕΙΡΗΣΕΙΣ ΙΚΕ	5,000.00
PREMIUM ΑΕ	45,075.00
PRIME APPLICATIONS ΑΕ	61,476.00
PROPERTY MARKETING SERVICES ΔΙΑΦΗΜΙΣΤΙΚΗ ΙΚΕ	2,000.00
PUBLICITAS ΑΕ	24,981.43
R MEDIA Μ. ΕΠΕ	4,550.00
REAL MEDIA ΜΕΣΑ ΜΑΖΙΚΗΣ ΕΝΗΜΕΡΩΣΗΣ ΑΕ	149,001.60
RED LEMON ΡC	6,000.00
SABD ΕΚΔΟΤΙΚΗ ΑΕ	87,675.00
SAMOS BUSINESS DEVELOPMENT ΙΚΕ	2,000.00
SBC SINGLE MEMBER PRIVATE COMPANY	7,381.50
SFERA RADIO ΑΕ	29,841.92
SOL DE GRECIA ΜΟΝ.ΙΚΕ	2,500.00
SOLAR ΡΑΔΙΟΤ/ΚΕΣ & ΨΥΧ/ΚΕΣ ΥΠΗΡΕΣΙΕΣ ΑΕ	24,940.00
SONTEVIA LTD	8,000.00
SPORT TV ΡΑΔΙΟΤΗΛΕΟΠΤΙΚΗ ΠΡΟΒΟΛΗ ΑΕ	36,700.28
SPORTNEWS ΥΠΗΡΕΣΙΕΣ ΔΙΑΔΙΚΤΙΟΥ ΑΕ	9,000.00

\* Names have not been translated into english.



TELIA COMMUNICATIONS AE	7,707.00
THE TOC DIGITAL MEDIA ΥΠΗΡΕΣΙΕΣ ΕΝΗΜΕΡΩΣΗΣ ΑΕ	30,488.00
THESS NEWS ΙΚΕ	1,500.23
THESSALONIKI 89 RAINBOW ΜΟΝ.ΕΠΕ	4,179.98
TRIBUNE Ι.Κ.Ε.	800.00
U MEDIA ΕΞΕΙΔΙΚΕΥΜΕΝΕΣ ΔΙΑΦ. ΥΠΗΡΕΣΙΕΣ ΙΚΕ	122,091.34
UNIQUE MEDIA Α.Ε.	2,000.00
USAY Σ.ΠΑΥΛΟΠΟΥΛΟΣ ΜΟΝ.ΕΠΕ	16,498.00
VAGMA MEDIA DEVELOPMENT ΜΟΝΟΠΡΟΣΩΠΗ ΕΠΕ	8,000.00
W.S.F. WALL STREET FINANCE ΙΚΕ	11,550.00
WEBJAR ΙΔΙΩΤΙΚΗ ΚΕΦΑΛΑΙΟΥΧΙΚΗ ΕΤΑΙΡΙΑ	28,800.00
Α. ΠΑΠΑΔΟΠΟΥΛΟΥ & ΣΙΑ ΕΕ THEA BY MAKEDONIA PALACE	1,400.00
Α.Π.Ε.-Μ.Π.Ε. ΑΕ	18,400.00
ΑΒΡ ΕΚΔΟΤΙΚΗ ΙΔΙΩΤΙΚΗ ΚΕΦΑΛΑΙΟΥΧΙΚΗ ΕΤΑΙΡΕΙΑ	900.00
ΑΓΡΟΤΥΠΟΣ ΑΕ	2,770.07
ΑΘΑΝΑΣΙΟΣ ΑΛ. ΑΡΑΜΠΑΤΖΗΣ ΠΑΝΣΕΡΡΑΪΚΗ ΕΒΔΟΜΑΔΙΑΙΑ	5,000.00
ΑΘΕΝΣ ΒΟΙΣ ΕΚΔΟΤΙΚΗ ΑΝΩΝΥΜΗ ΕΤΑΙΡΕΙΑ	32,675.00
ΑΘΛΗΤΙΚΟ ΡΑΔΙΟΦΩΝΟ ΑΕ	1,779.57
ΑΚΟΗ ΑΝΩΝΥΜΗ ΔΙΑΧΕΙΡΙΣΤΙΚΗ ΕΤ.ΡΑΔ/ΚΩΝ ΠΡΟΓ/ΤΩΝ	600.00
ΑΛΗΘΙΝΟ ΡΑΔΙΟΦΩΝΟ ΑΕ REAL FM	37,317.19
ΑΛΤΕΡ ΕΓΚΟ ΕΠΙΧΕΙΡΗΣΗ ΜΕΣΩΝ ΜΑΖΙΚΗΣ ΕΝΗΜΕΡΩΣΗΣ ΑΕ	481,271.00
ΑΝΑΣΤΑΣΙΟΣ ΚΑΡΑΜΗΤΣΟΣ & ΣΥΝΕΡΓΑΤΕΣ Ε.Ε OLIVEMAGAZINE.GR	9,990.00
ΑΝΕΞΑΡΤΗΤΑ ΜΕΣΑ ΜΑΖΙΚΗΣ ΕΝΗΜΕΡΩΣΗΣ ΑΕ	79,627.38
ΑΝΤΑΡΗΣ ΙΔΙΩΤΙΚΗ ΚΕΦΑΛΑΙΟΥΧΙΚΗ ΕΤΑΙΡΕΙΑ	9,000.00
ΑΠΟΣΤΟΛΟΣ ΚΑΡΑΜΠΕΡΟΠΟΥΛΟΣ ΜΟΝΟΠΡΟΣΩΠΗ ΕΠΕ	209.67
ΑΤΤΙΚΕΣ ΕΚΔΟΣΕΙΣ ΑΕ	17,187.50
ΒΑΡΟΥΞΗΣ ΕΛΕΥΘΕΡΙΟΣ & ΥΙΟΙ ΟΕ	3,000.00
ΒΑΣΙΛΟΠΟΥΛΟΣ Χ - ΠΕΤΡΟΠΟΥΛΟΣ Δ. ΟΕ (NEMA PROBLEMA)	10,078.00
ΒΕΛΙΣΣΑΡΙΔΟΥ Σ. & ΣΙΑ Ο.Ε.	3,000.00
ΒΟΡΕΙΑ ΕΝΗΜΕΡΩΤΙΚΗ ΑΕ	1,513.00
Γ.ΤΑΣΣΙΟΠΟΥΛΟΣ - Κ.ΜΠΑΡΛΑΣ & ΣΙΑ ΙΚΕ	500.00
ΓΕΝΙΚΕΣ ΡΑΔΙΟΤΗΛΕΟΠΤΙΚΕΣ ΕΠΙΧ.ΑΕ	11,606.60
ΓΕΡΟΛΥΜΑΤΟΣ ΓΕΡΑΣΙΜΟΣ	1,500.00
ΓΕΩΡΓΙΟΣ ΠΑΠΑΤΡΙΑΝΤΑΦΥΛΛΟΥ & ΣΙΑ ΕΕ	6,400.00
ΓΙΑΝΝΟΠΟΥΛΟΣ ΧΑΡ.ΝΙΚΟΛΑΟΣ WOMANDOL	1,800.00
Δ. ΔΙΑΚΑΤΟΥ- ΠΑΠΑΔΑΤΟΥ & ΣΙΑ ΕΕ	432.90
Δ. ΜΠΟΥΡΑΣ & ΣΙΑ ΕΕ	20,000.00
ΔΕΛΤΙΟ ΕΡΓΑΤΙΚΗΣ ΝΟΜΟΘΕΣΙΑΣ	180.19
ΔΕΣΜΗ ΑΕ ΕΜΠ.ΔΙΑΦ.ΡΑΔ.ΕΤΑΙΡΕΙΑ & ΕΦ.ΔΙΑΔΙΚΤΥΟΥ	14,502.00
ΔΗΜΗΤΡΗΣ ΡΟΥΧΩΤΑΣ	141.51
ΔΗΜΗΤΡΙΟΣ ΑΛ. ΑΡΑΜΠΑΤΖΗΣ ΣΕΡΡΑΪΚΟΝ ΘΑΡΡΟΣ	5,000.00
ΔΗΜΗΤΡΙΟΣ ΒΑΣΙΛΑΣ - ΕΛΛΗΝΙΚΗ ΔΙΚΑΙΟΣΥΝΗ, ΕΠΙΘΕΩΡΗΣΗ ΠΟΛΙΤΙΚΗΣ ΔΙΚΟΝΟΜΙΑΣ, ΔΙΟΙΚΗΤΙΚΗ ΔΙΚΗ, ΔΕΛΤΙΟ ΦΟΡΟΛΟΓ. ΝΟΜΟΘΕΣΙΑΣ, ΠΟΙΝΙΚΑ ΧΡΟΝΙΚΑ	1,118.87
ΔΗΜΗΤΡΙΟΣ ΚΙΜ. ΠΑΠΑΓΙΑΝΝΟΠΟΥΛΟΣ - ΠΡΩΤΗ ΤΗΣ ΑΙΓΙΑΛΕΙΑΣ	129.00
ΔΗΜΟΚΡΑΤΙΚΟΣ ΤΥΠΟΣ ΑΕ ΔΗΜΟΚΡΑΤΙΑ ESPRESSO	87,850.00
ΔΙΟΓΕΝΗΣ ΜΚΟ ΑΣΤΙΚΗ ΜΗ ΚΕΡΔΟΣΚΟΠΙΚΗ ΕΤΑΙΡΕΙΑ	4,500.00
ΔΙΦΩΝΟ ΡΑΔΙΟΦΩΝΙΚΕΣ ΕΚΜΕΤΑΛΛΕΥΣΕΙΣ ΑΕ	18,437.20
ΔΟΥΣΗΣ ΑΝΑΣΤΑΣΙΟΣ & ΣΙΑ ΕΕ - DOUSIES COM ΕΕ	25,100.00
ΔΥΟ ΔΕΚΑ ΑΝΩΝ.ΕΚΔΟ.ΕΤΑΙΡΕΙΑ	39,250.00
ΕΘΝΙΚΟΣ ΚΗΡΥΞ ΤΗΣ ΝΕΑΣ ΥΟΡΚΗΣ ΕΛΛΑΣ ΜΟΝΟΠΡΟΣΩΠΗ ΕΠΕ	9,896.86

\* Names have not been translated into english.



ΕΙΔ.ΛΟΓ/ΣΜΟΣ ΚΟΝΔ.ΕΡΕΥΝΑΣ ΤΟΥ ΕΘΝ.ΑΣΤΕΡ. ΑΘΗΝΩΝ	4,500.00
ΕΙΔΗΣΕΙΣ ΝΤΟΤ ΚΟΜ ΑΕ	886,317.97
ΕΚΔΟΣΕΙΣ ΠΡΩΤΟ ΘΕΜΑ ΕΚΔΟΤΙΚΗ ΑΕ	405,404.14
ΕΚΔΟΣΕΙΣ ΝΕΟ ΧΡΗΜΑ ΑΕ NEWMONEY.GR	45,500.00
ΕΚΔΟΣΕΙΣ Ν.ΠΑΠΑΝΙΚΟΛΑΟΥ ΑΕ	1,479.83
ΕΚΔΟΣΕΙΣ ΝΑΣΤΑ ΙΚΕ	1,200.00
ΕΚΔΟΣΕΙΣ ΠΑΜΙΣΟΣ - ΠΕΡΙΟΔΙΚΟ ΛΟΓΙΣΤΗΣ	359.82
ΕΚΔΟΣΕΙΣ ΡΕΥΜΑΤΑ ΑΕ	35,000.00
ΕΚΔΟΣΕΙΣ ΣΟΦΙΑ ΜΟΣΧΑΝΔΡΕΟΥ & ΣΙΑ ΕΕ	4,098.11
ΕΚΔΟΣΕΙΣ ΣΤΑΜΟΥΛΗ ΑΕ	4,000.00
ΕΚΔΟΣΕΙΣ ΣΤΟ ΚΑΡΦΙ ΑΕ	3,500.00
ΕΚΔΟΤΙΚΗ ΕΚΤΥΠΩΤΙΚΗ ΑΕ Μ PRESS ΕΚΔΟΤΙΚΗ	4,072.57
ΕΛΕΥΘΕΡΙΑ ΤΟΥ ΤΥΠΟΥ ΕΚΔΟΤΙΚΗ ΑΕ	85,093.20
ΕΛΛΗΝΙΚΕΣ ΡΑΔΙΟΦΩΝΙΚΕΣ ΕΠΙΧΕΙΡΗΣΕΙΣ ΑΕ	6,384.00
ΕΛΛΗΝΙΚΟ ΙΝΣΤΙΤΟΥΤΟ ΕΞΥΠΗΡΕΤΗΣΗΣ ΠΕΛΑΤΩΝ	2,500.00
ΕΝΙΚΟΣ ΑΝΩΝΥΜΗ ΕΤΑΙΡΕΙΑ	53,200.00
ΕΝΤΥΠΟΕΚΔΟΤΙΚΗ ΑΕΒΕΤ	5,663.00
ΕΞΕΡΕΥΝΗΤΗΣ-ΕΞΠΛΟΡΕΡ ΑΕ	74,340.00
ΕΠΙΚΟΙΝΩΝΙΑ ΕΠΕ	20,000.00
ΕΡΙΝΥΑ ΕΙΔΗΣΕΙΣ Μ. ΙΚΕ	10,000.00
ΕΡΩΤΙΚΟΣ ΡΑΔΙΟ ΑΕ	1,264.20
ΕΤΑΙΡΕΙΑ ΑΝΑΠΤΥΞΗΣ & ΠΡΟΟΔΟΥ ΑΣΤΙΚΗ ΕΤΑΙΡΕΙΑ	1,000.00
ΕΥΔΟΞΙΑ ΧΑΤΖΗΓΕΩΡΓΙΟΥ & ΣΙΑ ΕΕ	2,000.00
ΕΦΗΜΕΡΙΣ ΕΣΤΙΑ ΑΝΩΝΥΜΗ ΕΚΔΟΤΙΚΗ ΕΤΑΙΡΕΙΑ	49,274.53
ΖΗΣΗΣ ΠΑΝΑΓΙΩΤΗΣ ΜΟΝ. ΕΠΕ	4,000.00
ΖΟΥΓΚΛΑ ΤΖΙ ΑΡ ΑΕ ΜΕΣΩΝ ΗΛΕΚΤΡΟΝΙΚΩΝ ΜΑΖ.ΕΠΙΚ/ΝΙΑΣ	88,134.00
ΖΩΗ ΛΕΥΚΟΦΡΥΔΟΥ ΙΚΕ	137.09
Η ΑΥΓΗ ΑΕ	32,520.16
Η ΚΑΘΗΜΕΡΙΝΗ ΑΕ	910.60
Η ΝΑΥΤΕΜΠΟΡΙΚΗ Π.ΑΘΑΝΑΣΙΑΔΗΣ & ΣΙΑ ΑΕ	67,924.70
ΗΛΙΑΣ ΚΑΝΕΛΛΗΣ & ΣΙΑ ΕΕ	1,500.00
ΗΤ PRESS ONLINE ΜΟΝΟΠΡΟΣΩΠΗ ΙΚΕ	10,000.00
ΗΧΟΣ ΚΑΙ ΡΥΘΜΟΣ ΑΕ	27,480.07
ΗΧΩ ΕΚΔΟΤΙΚΗ ΜΟΣΧΑΝΔΡΕΟΥ & ΣΙΑ ΕΕ	233.88
ΘΕΜΑ ΡΑΔΙΟ ΑΕ	2,002.26
ΘΕΟΔΩΡΑ ΣΙΜΙΤΣΗ ΜΟΝΟΠΡΟΣΩΠΗ ΙΚΕ	2,500.00
ΘΩΜΑ ΑΝΤΩΝΙΑ	3,000.00
ΘΩΜΑ Δ. ΑΝΤΩΝΙΑ ΤΥΠΟΣ ΘΕΣΣΑΛΟΝΙΚΗΣ	567.00
Ι & Κ ΝΙΚΟΛΑΙΔΗΣ ΑΒΕΕ	8,000.00
Ι. & Ε ΚΟΥΤΣΟΛΙΟΝΤΟΥ ΟΕ	5,000.00
Ι.ΔΙΟΝΑΤΟΣ & ΣΙΑ ΕΕ	10,000.00
ΙΑΤΡΟΝΕΤ ΔΙΑΔΙΚΤΥΑΚΕΣ ΕΦΑΡΜΟΓΕΣ ΕΠΕ	7,500.00
ΙΚΑΡΟΣ ΡΑΔΙΟΤΗΛΕΟΠΤΙΚΕΣ ΕΠΙΧ/ΣΕΙΣ ΑΕ	31,728.00
ΙΝΣΤΙΤΟΥΤΟ ΕΡΕΥΝΩΝ & ΜΕΛ. ΤΗΣ ΚΕΝΤ.ΕΝ.ΕΠΙΜ.ΕΛΛ/ΔΟΣ	3,890.00
ΙΟΝΙΚΕΣ ΕΚΔΟΣΕΙΣ ΑΕ	14,000.00
Κ.Μ ΧΑΤΖΗΗΛΙΑΔΗΣ & ΣΙΑ ΕΕ	4,167.20
ΚΑΘΗΜΕΡΙΝΕΣ ΕΚΔΟΣΕΙΣ ΑΕ	360,113.05
ΚΑΠΑ ΣΙΓΜΑ ΔΕΛΤΑ ΑΕ	799.99
ΚΑΠΙΤΑΛ GR/ΥΠΗΡΕΣΙΕΣ ΗΛΕΚΤΡΟΝΙΚΗΣ ΕΝΗΜΕΡΩΣΗΣ ΑΕ	121,069.00
ΚΑΤΣΑΤΟΥ ΠΗΝΕΛΟΠΗ ΚΑΙ ΣΙΑ ΕΕ - GRAPE	3,200.00

\* Names have not been translated into english.



ΚΟΙΝΩΝΙΚΗ ΣΥΝΕΤΑΙΡΙΣΤΙΚΗ ΕΠΙΧΕΙΡΗΣΗ ΠΡΟΤΑΣΙΣ	550.00
ΚΟΣΜΟΡΑΔΙΟ ΕΕ	2,464.17
ΚΟΤΡΩΤΣΟΣ ΠΑΥΛ.ΣΕΡΑΦΕΙΜ	7,000.00
ΚΩΝΣΤΑΝΤΟΠΟΥΛΟΣ ΠΑΝΟΣ GRAMMA BOOKS	3,800.00
ΚΩΣΤΑΡΕΛΛΑΣ Ν. ΙΩΑΝΝΗΣ	462.00
ΛΑΜΨΗ ΕΚΔΟΤΙΚΕΣ & ΡΑΔΙΟΦΩΝΙΚΕΣ ΕΠΙΧΕΙΡΗΣΕΙΣ ΑΕ	21,514.94
ΛΕΩΝΙΔΑΣ ΑΝΤΩΝΟΠΟΥΛΟΣ ΜΟΝΟΠΡΟΣΩΠΗ ΕΠΕ	2,000.00
ΜΑΚΕΔΟΝΙΑ ΕΝΗΜΕΡΩΣΗ ΑΕ	3,500.00
ΜΑΝΕΣΙΩΤΗΣ ΝΙΚ. ΨΩΜΙΑΔΗΣ ΚΩΝ. ΟΕ FMVOICE.GR	28,000.00
ΜΑΡΙΑ ΒΑΣΙΛΑΚΗ ΜΟΝΟΠΡΟΣΩΠΗ ΕΠΕ	4,500.00
ΜΑΡΙΑ ΧΑΛΚΟΥ ΕΚΔΟΣΕΙΣ - ΨΗΦΙΑΚΑ ΜΕΣΑ	6,750.00
ΜΑΡΙΝΑ Γ.ΤΟΥΛΑ & ΣΙΑ ΟΕ	3,600.00
ΜΕΓΑΡΟ ΜΟΥΣΙΚΗΣ ΑΘΗΝΩΝ	2,500.00
ΜΕΛΩΔΙΑ ΑΕ	14,475.84
ΜΕΤΡΟΝΤΗΛ ΜΟΝ. ΙΚΕ	16,401.80
ΜΠΟΥΘΑΣ ΚΩΝΣΤΑΝΤΙΝΟΣ ΤΟΥ ΠΕΤΡΟΥ	210.00
ΜΠΟΥΣΙΑΣ ΕΠΙΚΟΙΝΩΝΙΕΣ ΕΠΕ	4,038.70
ΝΕΑ ΤΗΛΕΟΡΑΣΗ ΑΕ	575,619.13
ΝΕΟ ΡΑΔΙΟΦΩΝΟ ΤΩΝ ΔΗΜΟΣΙΟΓΡΑΦΩΝ ΕΠΕ	65,100.00
ΝΕΟΥΤΥΠΟΓΡΑΦΙΚΗ ΜΟΝΟΠΡΟΣΩΠΗ ΕΠΕ Ο ΛΟΓΟΣ	5,237.99
ΝΙΚΟΛΑΟΣ ΣΤΑΣΙΝΟΣ & ΣΙΑ ΟΕ	1,500.00
ΝΣΚ ΕΚΔΟΤΙΚΗ ΕΠΕ ΕΚΔ.ΕΝΤ.ΥΛ.ΚΑΡΑΜΑΝΟΓΛΟΥ	1,600.00
ΟΤΕ ΑΕ	121,100.69
ΟΡΓΑΝΙΣΜΟΣ ΜΕΣΩΝ ΜΑΖΙΚΗΣ ΕΠΙΚ/ΝΙΑΣ ΑΕ	21,011.55
ΟΡΘΟΔΟΞΗ ΚΙΒΩΤΟΣ ΕΚΔΟΣΕΙΣ ΑΕ	4,000.00
ΟΡΙΖΟΝΤΕΣ ΕΠΕ	1,350.00
Π. ΔΕΛΗΓΙΑΝΝΗΣ & ΣΙΑ ΕΕ	1,500.00
Π.Δ. ΕΚΔΟΣΕΙΣ ΕΠΕ	20,400.00
Π.ΚΟΥΤΣΟΥΚΟΣ Α.ΜΠΟΥΣΤΡΑΣ ΑΕ	3,000.00
ΠΑΛΟ ΕΠΕ ΨΗΦΙΑΚΕΣ ΤΕΧΝΟΛΟΓΙΕΣ	10,000.00
ΠΑΠΑΛΕΞΗΣ ΦΩΤΙΟΣ ΙΩΑΝΝΗΣ	121.00
ΠΑΠΑΛΙΟΣ ΚΩΝΣΤΑΝΤΙΝΟΣ & ΣΙΑ ΕΕ DIRECTION ΒΝΕΤW	3,375.43
ΠΑΠΑΡΟΥΝΗΣ ΦΑΝ. ΜΙΧΑΛΗΣ	250.00
ΠΑΡΑΕΝΑ ΕΠΕ	70,914.33
ΠΑΡΑΠΟΛΙΤΙΚΑ ΕΚΔΟΣΕΙΣ ΑΕ	77,265.00
ΠΕΛΟΠΟΝΝΗΣΟΣ ΠΑΤΡΩΝ ΕΚΔΟΣΕΙΣ ΑΕ	16,040.32
ΠΟΛΙΤΗ-ΣΙΑΦΑΚΑ ΜΑΡΙΕΛΙΖΕ -ΒΑΣΙΛΙΚΗ (CODEX)	1,500.00
ΠΡΟΒΟΛΗ ΠΡΟΩΘΗΣΗ ΠΩΛΗΣΕΩΝ ΑΕ	4,250.00
ΠΡΟΤΑΓΚΟΝ ΑΕ	21,250.00
Ρ.Η.Ε.Μ.Ε.Α.Ε Ρ/Τ ΗΛΕΚΡΟΝ. ΕΚΔΟΤΙΚΑ ΜΕΣΑ ΕΛΛ. Α.Ε	4,000.00
ΡΑΔΙΟ ΘΕΣΣΑΛΟΝΙΚΗ ΑΕ	16,321.61
ΡΑΔΙΟΤΗΛΕΟΠΤΙΚΕΣ ΕΠΙΧΕΙΡΗΣΕΙΣ ΑΕ	22,573.37
ΡΑΔΙΟΤΗΛΕΟΠΤΙΚΕΣ ΠΑΡΑΓΩΓΕΣ ΑΚΤΙΝΑ Α.Ε. GALAXY FM	4,149.60
ΡΑΔΙΟΤΗΛΕΟΠΤΙΚΗ ΑΕ	78,239.89
ΡΑΔΙΟΦΩΝΙΚΕΣ ΠΑΡΑΓΩΓΕΣ ΑΕ	4,143.00
ΡΑΔΙΟΦΩΝΙΚΗ ΕΠΙΚΟΙΝΩΝΙΑ ΑΕ ΔΙΕΣΗ FM	23,658.58
ΣΑΡΙΣΑ ΕΠΕ	21,770.00
ΣΕΛΑΝΑ ΑΕ	6,030.00
ΣΙΝΕ ΝΙΟΥΖ ΑΕ	25,300.00
ΣΚΟΥΤΕΡΗΣ ΧΡΗΣΤΟΣ Γ. ΚΟΡΙΝΘΙΑΚΗ ΗΜΕΡΑ	633.00

\* Names have not been translated into english.



ΣΠΥΡΟΣ ΚΑΜΠΙΩΤΗΣ & ΣΙΑ Ο.Ε. - ΗΜΕΡΑ ΖΑΚΥΝΘΟΥ	112.90
ΣΥΓΧΡΟΝΗ ΕΠΟΧΗ ΕΚΔΟΤΙΚΗ ΑΕΒΕ ΡΙΖΟΣΠΑΣΤΗΣ	4,961.35
ΤΕΚΜΗΡΙΩΣΗ Μ ΕΠΕ ΕΦΗΜΕΡΙΔΑ ΤΑΧΥΔΡΟΜΟΣ	222.00
ΤΟ ΚΟΥΤΙ ΤΗΣ ΠΑΝΔΩΡΑΣ MEDIA ΕΕ	29,370.00
ΤΟΜΕΛΙΤΟΥ Ι.-ΚΑΣΤΟΡΙΝΗ	3,648.00
ΤΣΑΡΑΓΚΛΗΣ ΓΕΩ. ΙΩΑΝΝΗΣ	7,400.00
ΤΣΙΤΑΣ Χ. ΠΡΟΔΡΟΜΟΣ	1,800.00
ΥΙΟΙ ΣΑΒΒΑ ΤΣΟΠΑΝΑΚΗ Η ΚΩΤΙΑΔΗ ΟΕ	685.00
ΦΕΛΝΙΚΟΣ ΗΛΕΚΤΡ. ΜΕΣΩΝ ΕΝΗΜΕΡΩΣΗΣ Μ.ΕΠΕ	12,160.00
ΦΙΛΑΘΛΟΣ ΙΚΕ	9,640.00
ΦΙΛΕΛΕΥΘΕΡΟΣ ΕΚΔΟΤΙΚΗ ΑΕ	86,700.00
ΦΟΞ ΝΕΤΓΟΥΟΡΚΣ ΓΚΡΟΥΠ ΕΛΛΑΣ ΑΕ	79,601.80
ΦΩΤΗΣ ΤΣΙΜΕΛΑΣ & ΣΙΑ ΕΕ	3,000.00
Χ. ΘΕΟΦΡΑΣΤΟΥ ΤΗΛΕΟΠΤΙΚΕΣ ΠΑΡΑΓΩΓΕΣ ΙΚΕ ΕΠΙΤΡΟΗΟΝ.GR	48,000.00
ΧΑΝΔΑΕ ΑΕ	10,250.00
ΧΡΥΣΑΝΘΟΣ ΞΑΝΘΗΣ	660.00
ΧΡΥΣΗ ΕΥΚΑΙΡΙΑ ΑΕ	3,990.00
ΨΗΦΙΑΚΕΣ ΜΕΤΑΔΟΣΕΙΣ ΙΚΕ	749.00
	<b>8,735,770.04</b>

	Amounts
TELEVISION TAX PAYMENTS	454,314.32
SPECIAL FEE PAYMENTS 0.02%	2,039.67
MUNICIPAL FEE PAYMENTS 2%	17,050.85

PAYMENTS TO MEDIA COMPANIES OF AMOUNTS LESS THAN € 100 PER MEDIA COMPANY	
Name*	
GRATIA ΕΚΔΟΤΙΚΗ ΙΚΕ - ΝΑΥΤΙΚΑ ΧΡΟΝΙΚΑ	
ΑΡΧΑΙΟΛΟΓΙΑ ΚΑΙ ΤΕΧΝΕΣ	
Γ.ΝΤΟΥΠΗΣ - Γ.ΠΑΡΗΓΟΡΑΚΗΣ Ο.Ε. (ENTRUST)	
ΕΠΤΑ ΠΟΛΙΤΕΙΑ ΕΚΔΟΣΕΙΣ ΕΚΤΥΠΩΣΕΙΣ ΑΝΩΝΥΜΗ ΕΤΑΙΡΕΙΑ	
Ι.Δ ΚΟΛΛΑΡΟΥ & ΣΙΑ ΑΕ ΒΙΒΛΙΟΠΩΛΕΙΟ ΤΗΣ ΕΣΤΙΑΣ	
Ι.ΤΟΜΕΛΙΤΟΥ ΚΑΣΤΟΡΙΝΗ ΤΡΑΠΕΖΙΚΟΣ ΑΓΩΝ	
ΚΑΛΛΙΟΠΗ ΚΟΖΥΡΗ - ΜΙΧΑΛΗΣ ΚΟΖΥΡΗΣ Ο.Ε.Ε. - ΑΝΑΤΟΛΗ	
ΚΑΡΕΚΛΙΔΗΣ ΑΡΧΙΜΗΔΗΣ	
ΛΑΚΩΝΙΚΟΣ ΤΥΠΟΣ ΧΡΙΣΤΙΝΑ ANNA ΧΙΩΤΗ	
ΛΑΜΙΑΚΟΣ ΤΥΠΟΣ ΑΕ	
ΜΑΡΙΑ ΠΑΠΑΔΟΓΙΑΝΝΗ DAYS OF ART IN GREECE	
Ν. & Ι. ΑΓΓΕΛΑΚΗΣ ΚΡΗΤΙΚΑ ΜΕΣΑ ΕΝΗΜΕΡΩΣΗΣ ΕΠΕ	
ΠΑΝΑΓΙΩΤΗΣ ΚΑΡΑΝΙΚΑΣ Κ ΣΙΑ ΟΕ ΚΥΚΛΑΔΙΚΗ	
ΠΡΩΤΗ ΕΚΔΟΤΙΚΗ ΑΕ	
ΤΑ ΝΕΑ ΤΗΣ ΤΕΧΝΗΣ ΙΚΕ	
ΦΩΤΙΟΣ ΡΑΙΣΗΣ ΚΑΙ ΣΙΑ ΕΕ Ο ΗΜΕΡΗΣΙΟΣ ΔΗΜΟΤΗΣ	
ΧΑΡΤΗΣ ΜΟΝΟΠΡΟΣΩΠΗ ΕΠΕ	

The above table refers to payments to media companies of amounts less than € 100, with total amount € 935.18.

<b>TOTAL FOR MEDIA COMPANIES</b>	<b>8,736,705.22</b>
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\* Names have not been translated into english.



<b>PAYMENTS TO LEGAL ENTITIES DUE TO DONATIONS, SPONSORSHIP, SUBSIDIES OR OTHER CHARITABLE REASONS (Article 6 Par. 2 of Law 4374/2016)</b>	
<b>Name*</b>	<b>Amounts before taxes</b>
17ο CONFERENCE ON RESEARCH ON ECONOMICS AND ECONOMETRICS	5,000.00
1ο ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΚΑΛΑΜΠΑΚΙΟΥ ΔΡΑΜΑΣ	315.00
2ο ΓΥΜΝΑΣΙΟ ΝΕΑΣ ΜΑΚΡΗΣ	5,347.24
2ο ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΥΜΗΤΤΟΥ	310.00
2ο ΝΗΠΙΑΓΩΓΕΙΟ ΚΑΡΠΕΝΗΣΙΟΥ	330.00
3ο ΓΕΛ ΝΕΑΣ ΣΜΥΡΝΗΣ	120.97
3ο ΓΥΜΝΑΣΙΟ ΣΑΛΑΜΙΝΟΣ	300.00
3ο ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΑΡΓΟΥΣ ΟΡΕΣΤΙΚΟΥ	314.50
5ο ΓΕΝΙΚΟ ΛΥΚΕΙΟ ΚΑΛΑΜΑΡΙΑΣ	310.00
6ΘΕΣΙΟ ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΔΙΚΑΙΩΝ ΔΗΜΟΥ ΟΡΕΣΤΙΑΔΑΣ Ν. ΕΒΡΟΥ	2,130.58
8ο ΕΝΙΑΙΟ ΛΥΚΕΙΟ ΑΜΑΡΟΥΣΙΟΥ	315.00
A.A UNILINK EDUCATION SERVICES LTD	3,000.00
AGENCY FOR THE DELIVERY OF INTEGRATED SERVICES (ADISA), GJIROKASTER	810.32
AGNA SHA	2,067.10
ALBANIAN ASSOCIATION OF BANKS	512.43
ARTION CONFERENCES AND EVENTS ΔΕΣΠΟΙΝΑ ΚΑΙ ΒΑΛΕΝΤΙΝΗ ΑΜΑΡΑΝΤΙΔΟΥ Ο.Ε.	1,000.00
ASOCIATIA CULTURALA GREACA	1,200.00
ASOCIATIA CULTURALA RADU CHISU	30,000.00
ASOCIATIA ECOETHICS	4,000.00
ASOCIATIA HELP AUTISM	5,000.00
ASOCIATIA INSTITUTUL ASPEN ROMANIA	25,000.00
ASOCIATIA JUDETEANA DE SAH IASI	5,000.00
ASOCIATIA LITTLE PEOPLE ROMANIA	2,000.00
ASOCIATIA NISTE OAMENI	963.91
ASOCIATIA O MASA CALDA	495.00
ASOCIATIA PARCUL NATURAL VACARESTI	30,000.00
ASOCIATIA PARINTILOR IOAN SLAVICI SATU MARE	500.00
ASOCIATIA PARINTILOR SI TUTORILOR GRECI DIN BUCURESTI	10,000.00
ASOCIATIA PENTRU PROMOVAREA PERFORMANTEI IN EDUCATIE	15,000.00
ASOCIATIA PRIETENII MUZEULUI NATIONAL DE ARTA AL ROMANIEI	6,000.00
ASOCIATIA THE MENTORING PROJECT	7,000.00
ASOCIATIA TRIADA	9,016.55
ASOCIATIA UMANITARA CAMELIA ELENA RUSU	5,000.00
ATCOM AE	14,134.20
ΑΧΕΠΑ	1,000.00
CAMERA DE COMERT BILATERALA ELENO-ROMANA	27,000.00
CAMERA DE COMERT SI INDUSTRIE ELENO-ROMANA	5,000.00
CYBER SECURITY INSTITUTE ΔΙΕΘΝΕΣ ΙΝΣΤΙΤΟΥΤΟ ΓΙΑ ΤΗΝ ΚΥΒΕΡΝΟΑΣΦΑΛΕΙΑ ΣΩΜΑΤΕΙΟ	12,000.00
CYCLOPOLIS IKE	15,000.00
CYPRUS CHAMBER OF COMMERCE AND INDUSTRY	1,000.00
CYPRUS HOCKEY ASSOCIATION	200.00
DELPHI ECONOMIC FORUM ΟΙΚΟΝΟΜΙΚΟ ΣΥΝΕΔΡΙΟ ΔΕΛΦΩΝ	8,000.00
DIFFERENT WEEKEND FOUNDATION ALBANIA	18,433.81
DOWN SYNDROME ALBANIA (DSA) FOUNDATION	996.84
EBEN GR ΕΛΛΗΝΙΚΟ ΙΝΣΤΙΤΟΥΤΟ ΕΠΙΧΕΙΡΗΜΑΤΙΚΗΣ ΗΘΙΚΗΣ	1,000.00
EIMN LLC	20,695.19
EMG STRATEGIC CONSULTING	3,000.00
EUROPA DONNA ΚΥΠΡΟΥ	1,000.00
FATHER JOSEPH BLESSING	227.16

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FEDERATIA ROMANA DE SAH	5,000.00
FOREIGN LANGUAGES FACULTY, TIRANA	5,735.22
FUNDATIA CALEA GRIVITEI	14,000.00
FUNDATIA CONSERVATION CARPATHIA	20,000.00
FUNDATIA DEMOCRATIE PRIN CULTURA	15,000.00
FUNDATIA LEADERS	15,000.00
FUNDATIA LEADERS PROIECT LICEENII	6,500.00
FUNDATIA ROMANA PENTRU EXCELENTA IN MUZICA	75,000.00
GLOBAL SUSTAIN A.E.	3,000.00
GR DESIGN	2,260.00
GRADINA BOTANICA	4,050.00
GREEK LANGUAGE EDUCATIONAL ESTABLISHMENT	169.29
GREEK PARENTS ASSOCIATION	169.29
HELLENIC EDUCATIONAL AND CULTURAL TRUST	340.74
HELLENIC ROMANIAN CHAMBER OF COMMERCE	2,000.00
IHSAN CABEJ HOSPITAL, LUSHNJE	1,998.57
IMH CSC LTD	29,000.00
INVINGEM AUTISMUL	642.00
JEANS FOR GENES	316.37
KALO ART FOUNDATION	1,005.59
KULT ACADEMY	8,073.25
LARNACA BEACH TENNIS CLUB	200.00
MACMILLAN	279.48
MAKE A WISH KANE MIA EYXH ELLAΔΟΣ- ΑΣΤΙΚΗ ΜΗ ΚΕΡΔΟΣΚΟΠΙΚΗ ΕΤΑΡΙΑ	2,800.00
MANOR HILL GREEK SCHOOL	225.72
MASTOS IMAGING ΕΛΛΗΝΙΚΗ ΕΤΑΙΡΙΑ ΑΠΕΙΚΟΝΙΣΗΣ ΜΑΣΤΟΥ	1,100.00
MUNICIPALITY OF TIRANA	10,099.89
ORGANIZATIA SALVATI COPIII	2,556.00
REACTION YOUTH FOR THE PREVENTION	8,000.00
S.S.A. SOLD OUT LTD (MADAME FIGARO)	180.00
SAFE WATER SPORTS	2,500.00
SAFER INTERNET HELLAS AMKE	2,000.00
SPECIAL OLYMPICS CYPRUS	2,000.00
STAND UP TO CANCER	268.23
TCS EDUCATIONAL CONSULTANTS LTD	3,000.00
TELETHON 2018	120.00
THE AMERICAN COLLEGE OF GREECE	8,000.00
THE BUTTERFLY AVM CHARITY	136.30
THE TWELVE APOSTLES CHURCH	147.65
TIRANA ECONOMIC FORUM	6,040.84
UNIVERSITATEA DIN BUCURESTI - GRADINA BOTANICA DIMITRIE BRANDZA	50,000.00
YOU ARE A SUNFLOWER FOUNDATION	9,642.27
ZIUA VOLUNTARULUI	1,214.00
ΑΓΓΛΙΚΗ ΣΧΟΛΗ ΛΕΥΚΩΣΙΑΣ	400.00
ΑΔΕΛΦΟΤΗΤΑ ΤΩΝ ΖΥΓΟΒΙΣΤΙΝΩΝ Η ΜΕΤΑΜΟΡΦΩΣΗ	315.00
ΑΘΛΗΤΙΚΟ ΣΩΜΑΤΕΙΟ ΜΕΑΠ ΠΕΡΑ ΧΩΡΙΟΥ ΚΑΙ ΝΗΣΟΥ ΚΥΠΡΟΥ	600.00
ΑΘΛΗΤΙΚΟΣ ΣΥΛΛΟΓΟΣ ΑΤΟΜΩΝ ΜΕ ΑΝΑΠΗΡΙΑ ΚΟΤΙΝΟΣ	1,000.00
ΑΛΥΣΙΔΑ ΖΩΗΣ ΓΙΑ ΤΟΝ ΑΛΕΞΑΝΔΡΟ ΚΥΠΡΟΣ	125.00
ΑΜΑΛΙΕΙΟΝ ΟΙΚΟΤΡΟΦΕΙΟ ΑΘΗΝΩΝ	3,000.00
ΑΜΕΡΙΚΑΝΙΚΗ ΓΕΩΡΓΙΚΗ ΣΧΟΛΗ	250.48
ΑΜΚΕ ΙΑΣΙΣ	1,000.00

\* Names have not been translated into english.





ΑΝΑΔΥΣΗ ΑΜΚΕ ΠΡΟΣΤΑΣΙΑ ΑΥΤΙΣΤΙΚΩΝ ΠΑΙΔΙΩΝ	1,000.00
ΑΝΟΙΧΤΗ ΠΟΡΤΑ ΑΜΚΕ	6,000.00
ΑΝΤΙΚΑΡΚΙΝΙΚΟΣ ΣΥΝΔΕΣΜΟΣ ΚΥΠΡΟΥ	200.00
ΑΝΩΤΑΤΗ ΣΧΟΛΗ ΚΑΛΩΝ ΤΕΧΝΩΝ	3,916.67
ΑΡΓΩ ΕΚΤΥΠΩΤΙΚΗ ΑΒΕΕ ΓΡΑΦΙΚΕΣ ΤΕΧΝΕΣ	2,975.00
ΑΡΔΗΤΤΟΣ ΣΥΜΜΕΤΟΧΩΝ ΤΕΧΝΟΛΟΓΙΩΝ ΑΞΙΟΠΟΙΗΣΕΩΝ Α.Ε.	6,000.00
ΑΡΕΤΑΙΕΙΟ ΝΟΣΟΚΟΜΕΙΟ	4,526.00
ΑΡΙΟΝΑ ΕΛΛΑΣ Α.Ε.	50,000.00
ΑΡΧΗΓΕΙΟ ΠΥΡΟΣΒΕΣΤΙΚΟΥ ΣΩΜΑΤΟΣ	424,837.76
ΑΣΤΙΚΗ ΜΗ ΚΕΡΔΟΣΚΟΠΙΚΗ ΕΤΑΙΡΕΙΑ ΠΛΕΓΜΑ	1,000.00
ΑΣΤΙΚΗ ΜΗ ΚΕΡΔΟΣΚΟΠΙΚΗ ΕΤΑΙΡΙΑ ΚΑΤΟΠΤΡΟΝ	3,500.00
ΑΣΤΥΝΟΜΙΚΟ ΤΜΗΜΑ ΜΗΛΟΥ	1,270.00
ΑΣΥΛΟ ΑΝΙΑΤΩΝ	3,000.00
ΓΕΝΙΚΟ ΕΠΙΤΕΛΕΙΟ ΣΤΡΑΤΟΥ	50,000.00
ΓΕΝΙΚΟ ΝΟΣΟΚΟΜΕΙΟ ΑΘΗΝΩΝ ΕΛΕΝΑ ΒΕΝΙΖΕΛΟΥ - ΑΛΕΞΑΝΔΡΑ	2,258.00
ΓΕΝΙΚΟ ΝΟΣΟΚΟΜΕΙΟ ΑΘΗΝΩΝ ΕΥΑΓΓΕΛΙΣΜΟΣ	110,000.00
ΓΕΝΙΚΟ ΝΟΣΟΚΟΜΕΙΟ ΑΘΗΝΩΝ ΚΟΡΓΙΑΛΕΝΕΙΟ ΜΠΕΝΑΚΕΙΟ ΕΕΣ ΕΛΛΗΝΙΚΟΣ ΕΡΥΘΡΟΣ ΣΤΑΥΡΟΣ	4,113.25
ΓΕΝΙΚΟ ΝΟΣΟΚΟΜΕΙΟ ΑΘΗΝΩΝ ΛΑΪΚΟ	58,340.00
ΓΕΝΙΚΟ ΝΟΣΟΚΟΜΕΙΟ ΠΑΙΔΩΝ ΠΕΝΤΕΛΗΣ	2,138.58
ΓΕΝΙΚΟ ΝΟΣΟΚΟΜΕΙΟ ΤΡΙΚΑΛΩΝ	115,812.45
ΓΙΑΤΡΟΙ ΤΟΥ ΚΟΣΜΟΥ	2,000.00
ΓΥΜΝΑΣΙΟ ΠΑΝΑΓΙΑΣ ΘΕΟΣΚΕΠΑΣΤΗΣ	200.00
ΔΗΜΟΣ ΑΓΙΩΝ ΑΝΑΡΓΥΡΩΝ ΚΑΜΑΤΕΡΟΥ	2,000.00
ΔΗΜΟΣ ΑΝΑΤΟΛΙΚΗΣ ΜΑΝΗΣ	4,030.50
ΔΗΜΟΣ ΑΝΔΡΟΥ	500.00
ΔΗΜΟΣ ΑΡΑΔΙΠΠΟΥ	300.00
ΔΗΜΟΣ ΕΛΑΣΣΟΝΑΣ	200.00
ΔΗΜΟΣ ΕΛΛΗΝΙΚΟΥ - ΑΡΓΥΡΟΥΠΟΛΕΩΣ	6,000.00
ΔΗΜΟΣ ΘΕΣΣΑΛΟΝΙΚΗΣ	2,100.00
ΔΗΜΟΣ ΚΑΡΔΙΤΣΑΣ	200.00
ΔΗΜΟΣ ΜΑΡΑΘΩΝΟΣ	249.00
ΔΗΜΟΣ ΝΑΥΠΛΙΑΙΩΝ	1,466.49
ΔΗΜΟΣ ΠΑΓΓΑΙΟΥ	500.00
ΔΗΜΟΣ ΠΑΠΑΓΟΥ ΧΟΛΑΡΓΟΥ	2,000.00
ΔΗΜΟΣ ΡΑΦΗΝΑΣ	2,199.34
ΔΗΜΟΣ ΣΑΜΟΘΡΑΚΗΣ	233.00
ΔΗΜΟΣ ΣΠΕΤΣΩΝ	2,500.00
ΔΗΜΟΣ ΥΔΡΑΣ ΜΙΑΟΥΛΕΙΑ 2018	1,000.00
ΔΗΜΟΤΙΚΗ ΚΟΙΝΩΦΕΛΗΣ ΕΠΙΧΕΙΡΗΣΗ ΚΑΒΑΛΑΣ	1,000.00
ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΜΕΣΗΜΕΡΙΟΥ ΕΔΕΣΣΗΣ	630.02
ΔΙΑΒΑΖΩ ΓΙΑ ΤΟΥΣ ΑΛΛΟΥΣ ΑΜΚΕ	2,000.00
ΔΙΑΖΩΜΑ ΜΗ ΚΕΡΔΟΣΚΟΠΙΚΟ ΣΩΜΑΤΕΙΟ	5,000.00
ΔΙΕΘΝΗΣ ΑΜΝΗΣΤΙΑ	4,000.00
ΔΙΚΤΥΟ ΓΙΑ ΤΑ ΔΙΚΑΙΩΜΑΤΑ ΤΟΥ ΠΑΙΔΙΟΥ	4,819.27
Ε.Ε.Π.Α.Α.ΗΠΕΙΡΟΥ	200.00
Ε.Π.Α.Ψ.Υ ΕΤΑΙΡΕΙΑ ΠΕΡΙΦΕΡΕΙΑΚΗΣ ΑΝΑΠΤΥΞΗΣ ΚΑΙ ΨΥΧΙΚΗΣ ΥΓΕΙΑΣ	7,000.00
Ε.ΠΡΟ.ΨΥ.Η	2,250.00
ΕΤΑΙΡΕΙΑ ΠΡΟΣΤΑΣΙΑΣ ΣΠΑΣΤΙΚΩΝ ΠΟΡΤΑ ΑΝΟΙΧΤΗ	8,000.00
ΕΓΝΥΑ ΕΝΩΣΙΣ ΝΟΗΤΙΚΩΣ ΥΣΤΕΡΟΥΝΤΩΝ ΑΤΟΜΩΝ ΚΕΝΤΡΟ ΚΟΙΝΩΝΙΚΗΣ ΦΡΟΝΤΙΔΑΣ Α.Ν.Υ. Η ΣΤΕΓΗ ΛΑΓΟΝΗΣΙΟΥ	600.00
ΕΘΝΙΚΗ ΕΤΑΙΡΙΑ ΤΩΝ ΕΛΛΗΝΩΝ ΛΟΓΟΤΕΧΝΩΝ	1,500.00

\* Names have not been translated into english.



ΕΘΝΙΚΗ ΛΥΡΙΚΗ ΣΚΗΝΗ	50,000.00
ΕΘΝΙΚΗ ΟΜΑΔΑ ΟΡΤΙΜΙΣΤ 2018	5,000.00
ΕΘΝΙΚΗ ΟΜΟΣΠΟΝΔΙΑ ΤΥΦΛΩΝ ΕΟΤ	2,000.00
ΕΘΝΙΚΟ ΙΔΡΥΜΑ ΕΡΕΥΝΩΝ ΝΠΙΔ ΜΗ ΚΕΡΔΟΣΚΟΠΙΚΟ	4,000.00
ΕΘΝΙΚΟ ΚΑΙ ΚΑΠΟΔΙΣΤΡΙΑΚΟ ΠΑΝΕΠΙΣΤΗΜΙΟ ΑΘΗΝΩΝ	12,895.94
ΕΘΝΙΚΟΣ ΓΥΜΝΑΣΤΙΚΟΣ ΣΥΛΛΟΓΟΣ	4,000.00
ΕΙΔΙΚΟ ΚΕΝΤΡΟ ΕΦΟΔΙΑΣΜΟΥ ΜΟΝΑΔΩΝ ΣΤΡΑΤΟΥ ΕΚΕΜΣ	1,612.44
ΕΙΔΙΚΟ ΝΗΠΙΑΓΩΓΕΙΟ ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΚΩΦΩΝ ΚΑΙ ΒΑΡΗΚΩΝ ΑΡΓΥΡΟΥΠΟΛΕΩΣ	712.89
ΕΙΔΙΚΟΣ ΛΟΓΑΡΙΑΣΜΟΣ ΚΟΝΔΥΛΙΩΝ ΕΡΕΥΝΑΣ ΕΛΛΗΝΙΚΟ ΑΝΟΙΚΤΟ ΠΑΝΕΠΙΣΤΗΜΙΟ	80,000.00
ΕΙΔΙΚΟΣ ΛΟΓΑΡΙΑΣΜΟΣ ΚΟΝΔΥΛΙΩΝ ΕΡΕΥΝΑΣ ΠΑΝΕΠΙΣΤΗΜΙΟΥ ΑΙΓΑΙΟΥ	20,000.00
ΕΙΔΙΚΟΣ ΛΟΓΑΡΙΑΣΜΟΣ ΚΟΝΔΥΛΙΩΝ ΕΡΕΥΝΑΣ ΤΟΥ ΕΘΝΙΚΟΥ ΑΣΤΕΡΟΣΚΟΠΕΙΟΥ ΑΘΗΝΩΝ	2,000.00
ΕΚΔΟΣΗ ΒΙΒΛΙΟΥ ΘΑΛΕΙΑ ΦΛΩΡΑ ΚΑΡΑΒΙΑ	15,505.00
ΕΚΕΦΕ ΕΘΝΙΚΟ ΚΕΝΤΡΟ ΕΡΕΥΝΑΣ ΦΥΣΙΚΩΝ ΕΠΙΣΤΗΜΩΝ ΔΗΜΟΚΡΙΤΟΣ	1,125.00
ΕΚΘΕΣΗ ICARO - ΙΚΑΡΟΣ ΤΟ ΕΡΓΟΣΤΑΣΙΟ ΚΕΡΑΜΙΚΩΝ ΤΗΣ ΡΟΔΟΥ 1928-1988	2,562.91
ΕΚΠΑΙΔΕΥΤΗΡΙΑ ΚΑΙΣΑΡΗ	1,500.00
ΕΛ.ΚΕ.Θ.Ε.	1,000.00
ΕΛΛΑ-ΔΙΚΑ ΜΑΣ ΑΜΚΕ	5,000.00
ΕΛΛΗΝΕΣ ΔΙΑΣΩΣΤΕΣ RESCUE GR	1,000.00
ΕΛΛΗΝΙΚΑ ΧΡΗΜΑΤΙΣΤΗΡΙΑ ΑΕ	37,200.00
ΕΛΛΗΝΙΚΗ ΔΗΜΟΚΡΑΤΙΑ ΥΠΟΥΡΓΕΙΟ ΕΣΩΤΕΡΙΚΩΝ ΚΑΙ ΔΙΟΙΚΗΤΙΚΗΣ ΑΝΑΣΥΓΚΡΟΤΗΣΗΣ ΑΡΧΗΓΕΙΟ ΕΛΛΗΝΙΚΗΣ ΑΣΤΥΝΟΜΙΑΣ	48,912.96
ΕΛΛΗΝΙΚΗ ΕΘΝΙΚΗ ΕΠΙΤΡΟΠΗ UNICEF	3,000.00
ΕΛΛΗΝΙΚΗ ΕΝΩΣΗ ΕΡΕΥΝΑΣ ΚΑΙ ΔΙΑΣΩΣΗΣ ΕΘΕΛΟΝΤΩΝ ΑΤΤΙΚΗΣ	1,000.00
ΕΛΛΗΝΙΚΗ ΕΠΙΤΡΟΠΗ ΔΙΕΘΝΩΝ ΣΧΕΣΕΩΝ ΦΟΙΤΗΤΩΝ ΙΑΤΡΙΚΗΣ HELMSIC	500.00
ΕΛΛΗΝΙΚΗ ΕΤΑΙΡΕΙΑ ΕΠΙΣΤΗΜΟΝΩΝ ΚΑΙ ΕΠΑΓΓΕΛΜΑΤΙΩΝ ΠΛΗΡΟΦΟΡΙΚΗΣ ΚΑΙ ΕΠΙΚΟΙΝΩΝΙΩΝ ΕΠΥ	1,500.00
ΕΛΛΗΝΙΚΗ ΕΤΑΙΡΕΙΑ ΠΕΡΙΒΑΛΛΟΝΤΟΣ ΚΑΙ ΠΟΛΙΤΙΣΜΟΥ	23,000.00
ΕΛΛΗΝΙΚΗ ΕΤΑΙΡΙΑ ΜΑΣΤΟΛΟΓΙΑΣ	3,000.00
ΕΛΛΗΝΙΚΗ ΕΤΑΙΡΙΑ ΝΟΣΟΥ ALZHEIMER ΚΑΙ ΣΥΓΓΕΝΩΝ ΔΙΑΤΑΡΑΧΩΝ	500.00
ΕΛΛΗΝΙΚΗ ΕΤΑΙΡΙΑ ΠΡΟΣΤΑΣΙΑΣ ΤΗΣ ΦΥΣΗΣ ΕΕΠΦ	6,300.00
ΕΛΛΗΝΙΚΗ ΜΑΘΗΜΑΤΙΚΗ ΕΤΑΙΡΕΙΑ	1,000.00
ΕΛΛΗΝΙΚΗ ΟΜΑΔΑ ΔΙΑΣΩΣΗΣ ΕΟΔ	800.00
ΕΛΛΗΝΙΚΗ ΣΧΟΛΗ ΣΚΥΛΩΝ ΟΔΗΓΩΝ ΛΑΡΑ	8,000.00
ΕΛΛΗΝΙΚΟ ΙΔΡΥΜΑ ΚΑΡΔΙΟΛΟΓΙΑΣ	3,000.00
ΕΛΛΗΝΙΚΟ ΙΔΡΥΜΑ ΟΓΚΟΛΟΓΙΑΣ	10,000.00
ΕΛΛΗΝΙΚΟ ΙΝΣΤΙΤΟΥΤΟ ΕΞΥΠΗΡΕΤΗΣΗΣ ΠΕΛΑΤΩΝ ΕΙΕΠ ΣΩΜΑΤΕΙΟ ΜΗ ΚΕΡΔΟΣΚΟΠΙΚΟ	5,000.00
ΕΛΛΗΝΙΚΟ ΙΝΣΤΙΤΟΥΤΟ ΕΡΕΥΝΑΣ ΚΑΙ ΕΚΠΑΙΔΕΥΣΗΣ ΓΙΑ ΤΗΝ ΟΔΙΚΗ ΑΣΦΑΛΕΙΑ ΚΑ ΤΗΝ ΠΡΟΛΗΨΗ ΚΑΙ ΜΕΙΩΣΗ ΤΩΝ ΤΡΟΧΑΙΩΝ ΑΤΥΧΗΜΑΤΩΝ ΜΑΝΟΣ ΜΥΛΩΝΑΣ ΝΠΙΔ ΜΗ ΚΕΡΔΟΣΚΟΠΙΚΟΥ ΧΑΡΑΚΤΗΡΑ	3,000.00
ΕΛΛΗΝΙΚΟ ΙΝΣΤΙΤΟΥΤΟ ΠΑΣΤΕΡ	10,000.00
ΕΛΛΗΝΙΚΟ ΠΑΙΔΙΚΟ ΧΩΡΙΟΣ ΣΤΟ ΦΙΛΥΡΟ	1,000.00
ΕΛΛΗΝΙΚΟ ΠΕΡΙΠΤΕΡΟ ΜΠΙΕΝΑΛΕ ΒΕΝΕΤΙΑΣ 2018	4,109.59
ΕΛΛΗΝΙΚΟΣ ΣΥΛΛΟΓΟΣ ΠΡΟΣΤΑΣΙΑΣ ΙΠΠΟΕΙΔΩΝ	1,000.00
ΕΛΛΗΝΟΑΜΕΡΙΚΑΝΙΚΟ ΕΜΠΟΡΙΚΟ ΕΠΙΜΕΛΗΤΗΡΙΟ	4,500.00
ΕΛΛΗΝΟΓΑΛΛΙΚΗ ΣΧΟΛΗ ΟΥΡΣΟΥΛΙΝΩΝ	1,500.00
ΕΜΠΟΡΙΚΟΣ ΣΥΛΛΟΓΟΣ ΑΡΓΟΥΣ	500.00
ΕΜΠΟΡΙΚΟΣ ΣΥΛΛΟΓΟΣ ΛΙΒΑΔΕΙΑΣ	500.00
ΕΝΙΑΙΟ ΣΩΜΑΤΕΙΟ ΓΕΝΙΚΟΥ ΝΟΣΟΚΟΜΕΙΟΥ ΚΟΡΙΝΘΟΥ	1,000.00
ΕΝΩΣΗ ΕΜΠΟΡΩΝ ΒΙΟΤΕΧΝΩΝ ΕΠΑΓΓΕΛΜΑΤΙΩΝ ΣΧΟΙΝΟΥ	2,000.00
ΕΝΩΣΗ ΚΥΡΙΩΝ ΔΡΑΜΑΣ	2,000.00
ΕΝΩΣΗ ΜΑΡΙΝΩΝ ΕΛΛΑΔΟΣ ΑΜΚΕ	10,000.00
ΕΝΩΣΗ ΞΕΝΟΔΟΧΩΝ ΑΘΗΝΩΝ ΑΤΤΙΚΗΣ & ΑΡΓΟΣΑΡΩΝΙΚΟΥ	3,000.00
ΕΝΩΣΗ ΣΥΝΤΑΚΤΩΝ ΚΥΠΡΟΥ	200.00

\* Names have not been translated into english.



ΕΠΙΜΕΛΗΤΗΡΙΑΚΗ ΑΝΑΠΤΥΞΙΑΚΗ ΑΣΤΙΚΗ ΕΤΑΙΡΙΑ Ν. ΣΕΡΡΩΝ	1,000.00
ΕΠΙΜΕΛΗΤΗΡΙΟ ΣΕΡΡΩΝ	315.00
ΕΡΓΑΣΤΗΡΙ ΕΙΔΙΚΗΣ ΑΓΩΓΗΣ ΜΑΡΓΑΡΙΤΑ	1,000.00
ΕΡΕΥΝΗΤΙΚΟ ΚΕΝΤΡΟ ΣΤΡΑΤΗΓΙΚΗΣ ΔΙΟΙΚΗΣΗ ΤΩΝ ΕΠΙΧΕΙΡΗΣΕΩΝ ΚΑΙ ΕΠΙΧΕΙΡΗΜΑΤΙΚΟΤΗΤΑΣ ΝΠΙΔ ΜΗ ΚΕΡΔΟΣΚΟΠΙΚΟ	5,000.00
ΕΡΝΣΤ ΚΑΙ ΓΙΑΝΓΚ Α.Ε. ΠΑΡΟΧΗ ΣΥΜΒΟΥΛΕΥΤΙΚΩΝ ΥΠΗΡΕΣΙΩΝ	30,000.00
ΕΣΤΙΑ ΚΕΝΤΡΟ ΚΟΙΝΩΝΙΚΗΣ ΦΡΟΝΤΙΔΑΣ ΑΜΝΥ	1,000.00
ΕΤΑΙΡΕΙΑ ΑΞΙΟΠΟΙΗΣΗΣ ΔΙΑΧΕΙΡΙΣΗΣ ΠΕΡΙΟΥΣΙΑΣ ΠΑΝΕΠΙΣΤΗΜΙΟΥ ΚΡΗΤΗΣ	70,000.00
ΕΤΑΙΡΕΙΑ ΓΙΑ ΤΟΝ ΔΙΑΛΟΓΟ ΚΑΙ ΤΗ ΔΙΚΤΥΩΣΗ ΤΗ ΔΙΑΦΑΝΕΙΑ ΚΑΙ ΤΗ ΔΗΜΙΟΥΡΓΙΚΟΤΗΤΑ ΙΔΙΑΛΟΓUE	6,000.00
ΕΤΑΙΡΕΙΑ ΜΑΚΕΔΟΝΙΚΩΝ ΣΠΟΥΔΩΝ	20,955.14
ΕΤΑΙΡΕΙΑ ΜΕΣΣΗΝΙΑΚΩΝ ΑΡΧΑΙΟΛΟΓΙΚΩΝ ΣΠΟΥΔΩΝ	100,000.00
ΕΤΑΙΡΙΑ ΑΡΧΙΠΕΛΑΓΟΣ ΑΣΤΙΚΗ ΜΗ ΚΕΡΔΟΣΚΟΠΙΚΗ ΕΤΑΙΡΙΑ	20,000.00
ΕΤΑΙΡΙΑ ΕΛΛΗΝΩΝ ΔΙΚΑΣΤΙΚΩΝ ΛΕΙΤΟΥΡΓΩΝ ΓΙΑ ΤΗ ΔΗΜΟΚΡΑΤΙΑ ΚΑΙ ΤΙΣ ΕΛΕΥΘΕΡΙΕΣ	1,000.00
Ι.ΔΙΟΝΑΤΟΣ ΚΑΙ ΣΙΑ ΕΕ DELTA PRESS	1,000.00
ΙΔΡΥΜΑ ΕΥΣΤΑΘΙΑΣ Ι. ΚΩΣΤΟΠΟΥΛΟΥ	200,000.00
ΙΔΡΥΜΑ ΙΩΑΝΝΟΥ Φ. ΚΩΣΤΟΠΟΥΛΟΥ	300.00
ΙΔΡΥΜΑ ΜΙΧΑΛΗΣ ΚΑΚΟΓΙΑΝΝΗΣ ΝΠΙΔ	452.83
ΙΔΡΥΜΑ ΜΟΥΣΕΙΟΥ ΜΑΚΕΔΟΝΙΚΟΥ ΑΓΩΝΑ	7,000.00
ΙΔΡΥΜΑ ΝΙΚΟΛΑΟΥ ΚΑΙ ΝΤΟΛΛΗΣ ΓΟΥΛΑΝΔΡΗ ΜΟΥΣΕΙΟ ΚΥΚΛΑΔΙΚΗΣ ΤΕΧΝΗΣ	472.25
ΙΔΡΥΜΑ ΘΗΝΙΑΚΟΥ ΠΟΛΙΤΙΣΜΟΥ	1,000.00
ΙΔΡΥΜΑ ΤΟ ΣΠΙΤΙ ΤΟΥ ΗΘΟΠΟΙΟΥ	1,500.00
ΙΔΡΥΜΑ ΥΠΟΤΡΟΦΙΩΝ ΑΝΩΤΑΤΩΝ ΣΠΟΥΔΩΝ ΛΑΡΝΑΚΑΣ	300.00
ΙΕΡΑ ΑΡΧΙΕΠΙΣΚΟΠΗ ΑΘΗΝΩΝ Ι. ΝΑΟΣ ΠΑΝΤΑΝΑΣΣΗΣ Δ. ΠΡΟΦΗΤΟΥ ΗΛΙΟΥ ΤΖΙΤΖΙΦΙΕΣ	2,000.00
ΙΕΡΑ ΚΟΙΝΟΒΙΑΚΗ ΓΥΝΑΙΚΕΙΑ ΜΟΝΗ ΖΩΟΔΟΧΟΥ ΠΗΓΗΣ ΜΟΔΙ ΦΘΙΩΤΙΔΟΣ	818.70
ΙΕΡΑ ΜΕΓΙΣΤΗ ΜΟΝΗ ΒΑΤΟΠΕΔΙΟΥ	14,059.90
ΙΕΡΑ ΜΗΤΡΟΠΟΛΗ ΛΕΥΚΑΔΟΣ ΚΑΙ ΙΘΑΚΗΣ	725.00
ΙΕΡΑ ΜΗΤΡΟΠΟΛΗ ΜΑΡΩΝΕΙΑΣ ΚΑΙ ΚΟΜΟΤΗΝΗΣ	500.00
ΙΕΡΑ ΜΗΤΡΟΠΟΛΗ ΝΕΑΣ ΚΡΗΝΗΣ ΚΑΙ ΚΑΛΑΜΑΡΙΑΣ	500.00
ΙΕΡΑ ΜΗΤΡΟΠΟΛΗ ΠΟΛΥΑΝΗΣ ΚΑΙ ΚΙΛΚΙΣΙΟΥ	540.00
ΙΕΡΑ ΜΟΝΗ ΖΩΟΔΟΧΟΥ ΠΗΓΗΣ ΜΠΑΤΣΙ ΑΝΔΡΟΥ	1,765.48
ΙΕΡΑ ΜΟΝΗ ΠΡΟΦΗΤΟΥ ΗΛΙΟΥ ΥΔΡΑΣ	500.00
ΙΕΡΟΣ ΜΗΤΡΟΠΟΛΙΤΙΚΟΣ ΝΑΟΣ ΑΓΙΟΥ ΝΙΚΟΛΑΟΥ ΣΠΕΤΣΩΝ	4,500.00
ΙΕΡΟΣ ΝΑΟΣ ΑΓΙΟΥ ΓΕΩΡΓΙΟΥ ΑΓΛΑΝΤΖΙΑ	200.00
ΙΕΡΟΣ ΝΑΟΣ ΑΓΙΟΥ ΔΗΜΗΤΡΙΟΥ ΠΕΙΡΑΙΩΣ	300.00
ΙΝΣΤΙΤΟΥΤΟ ΠΟΛΙΤΙΣΤΙΚΩΝ, ΠΕΡΙΒΑΛΛΟΝΤΙΚΩΝ ΚΑΙ ΤΟΥΡΙΣΤΙΚΩΝ ΔΙΑΔΡΟΜΩΝ GEO ROUTES CULTURAL INSTITUTE	4,000.00
ΙΣΤΟΡΙΚΟ ΑΡΧΕΙΟ - ΜΟΥΣΕΙΟ ΥΔΡΑΣ	2,000.00
ΙΣΤΟΡΙΚΟ ΛΑΟΓΡΑΦΙΚΟ ΜΟΥΣΕΙΟ ΡΕΘΥΜΝΗΣ	5,000.00
ΚΑΪΡΙΟΣ ΒΙΒΛΙΟΘΗΚΗ	1,500.00
ΚΑΛΛΙΣΤΩ ΠΕΡΙΒΑΛΛΟΝΤΙΚΗ ΟΡΓΑΝΩΣΗ ΓΙΑ ΤΗΝ ΑΓΡΙΑ ΖΩΗ ΚΑΙ ΤΗ ΦΥΣΗ	1,209.70
ΚΑΛΛΙΤΕΧΝΙΚΗ ΕΤΑΙΡΙΑ ΑΞΑΝΑ	588.78
ΚΑΤΑΣΚΗΝΩΣΕΙΣ ΧΑΡΟΥΜΕΝΑ ΠΑΙΔΙΑ ΧΑΡΟΥΜΕΝΑ ΝΙΑΤΑ	1,000.00
ΚΕΝΤΡΟ ΔΗΜΙΟΥΡΓΙΚΗΣ ΑΠΑΣΧΟΛΗΣΗΣ ΠΑΙΔΙΩΝ ΜΕ ΑΝΑΠΗΡΙΕΣ ΚΔΑΠ ΜΕΑ ΤΟΥ ΣΩΜΑΤΕΙΟΥ ΓΟΝΕΩΝ ΚΗΔΕΜΟΝΩΝ ΚΑΙ ΦΙΛΩΝ ΑΜΕΑ ΤΗΣ ΕΠΑΡΧΙΑΣ ΚΑΛΥΜΝΟΥ ΑΓ. ΠΑΝΤΕΛΕΗΜΩΝ	1,500.00
ΚΕΝΤΡΟ ΔΙΑΦΟΡΟΔΙΑΓΝΩΣΗΣ ΔΙΑΓΝΩΣΗΣ ΚΑΙ ΥΠΟΣΤΗΡΙΞΗΣ ΚΕ.Δ.Δ.Υ. ΚΑΛΥΜΝΟΥ	1,346.34
ΚΕΝΤΡΟ ΕΡΕΥΝΩΝ ΠΑΝΕΠΙΣΤΗΜΙΟΥ ΠΕΙΡΑΙΩΣ	7,000.00
ΚΥΠΡΙΑΚΟΣ ΕΡΥΘΡΟΣ ΣΤΑΥΡΟΣ	250.00
ΚΥΠΡΙΑΚΟΣ ΕΡΥΘΡΟΣ ΣΤΑΥΡΟΣ-ΚΛΑΔΟΣ ΛΑΡΝΑΚΑΣ	450.00
ΚΥΠΡΙΑΚΟΣ ΕΡΥΘΡΟΣ ΣΤΑΥΡΟΣ-ΚΛΑΔΟΣ ΚΕΡΥΝΕΙΑΣ	150.00
ΛΑΟΓΡΑΦΙΚΟΣ ΟΜΙΛΟΣ ΓΡΗΓΟΡΗΣ ΑΣΣΙΩΤΗΣ	300.00
ΛΥΚΕΙΟ ΕΛΛΗΝΙΔΩΝ ΠΑΡΑΡΤΗΜΑ ΛΑΡΙΣΑΣ	1,000.00
ΛΥΚΕΙΟ ΚΥΚΚΟΥ ΠΑΦΟΣ	200.00

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ΛΥΚΕΙΟ ΤΩΝ ΕΛΛΗΝΙΔΩΝ	200.00
ΛΥΡΕΙΟ ΠΑΙΔΙΚΟ ΙΔΡΥΜΑ	337.09
ΜΕΣΟΓΕΙΑΚΟ ΑΓΡΟΝΟΜΙΚΟ ΙΝΣΤΙΤΟΥΤΟ ΧΑΝΙΩΝ	1,000.00
ΜΕΣΟΓΕΙΑΚΟΣ ΣΥΝΔΕΣΜΟΣ ΓΙΑ ΤΗ ΣΩΤΗΡΙΑ ΤΩΝ ΘΑΛΑΣΣΙΩΝ ΧΕΛΩΝΩΝ MEDASSET HELLAS	1,500.00
ΜΙΚΡΟΣΟΦΤ ΕΛΛΑΣ ΑΒΕΕ	10,000.00
ΜΟΡΦΩΤΙΚΟΣ ΣΥΝΔΕΣΜΟΣ ΒΑΡΒΑΣΙΟΥ ΧΙΟΥ ΒΙΒΛΙΟΘΗΚΗ Ο ΦΑΡΟΣ	400.00
ΜΟΥΣΕΙΟ ΓΟΥΛΑΝΔΡΗ ΦΥΣΙΚΗΣ ΙΣΤΟΡΙΑΣ	10,000.00
ΜΟΥΣΕΙΟ ΜΠΕΝΑΚΗ	6,300.00
ΜΟΥΣΙΚΟΣ ΚΑΙ ΔΡΑΜΑΤΙΚΟΣ ΣΥΛΛΟΓΟΣ ΩΔΕΙΟ ΑΘΗΝΩΝ 1871	30,000.00
ΜΠΟΥΣΙΑΣ ΕΠΙΚΟΙΝΩΝΙΕΣ ΕΠΕ	1,400.00
ΜΥΘΟΣ ΓΚΡΟΥΠ ΕΠΕ	1,442.00
ΝΑΥΤΙΚΟΣ ΟΜΙΛΟΣ ΑΝΔΡΟΥ	600.00
ΝΑΥΤΟΔΙΚΕΙΟ ΠΕΙΡΑΙΩΣ	3,150.02
ΝΗΠΙΑΓΩΓΕΙΟ ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΘΥΜΑΙΝΑΣ	249.00
ΝΟΜΙΣΜΑΤΙΚΟ ΜΟΥΣΕΙΟ	4,028.00
ΝΟΣΟΚΟΜΕΙΟ ΒΟΛΟΥ ΑΧΙΛΛΟΠΟΥΛΕΙΟ	4,032.26
ΞΕΝΙΟΣ ΠΟΛΙΣ ΠΟΛΙΤΙΣΜΟΣ ΕΠΙΣΤΗΜΗ ΚΑΙ ΔΡΑΣΗ ΑΜΚΕ	4,825.00
ΟΑΣΙΣ ΑΜΚΕ	800.00
ΟΙ ΦΙΛΟΙ ΤΗΣ ΤΗΝΟΥ ΚΟΙΝΩΦΕΛΕΣ ΣΩΜΑΤΕΙΟ	1,000.00
ΟΙΚΟΝΟΜΙΚΟ ΕΠΙΜΕΛΗΤΗΡΙΟ ΤΗΣ ΕΛΛΑΔΟΣ	3,000.00
ΟΙΚΟΥΜΕΝΙΚΗ ΟΜΟΣΠΟΝΔΙΑ ΚΩΝΣΤΑΝΤΙΝΟΥΠΟΛΙΤΩΝ	3,000.00
ΟΜΙΛΟΣ ΕΘΕΛΟΝΤΩΝ	2,000.00
ΟΜΟΣΠΟΝΔΙΑ ΕΡΓΟΔΟΤΩΝ ΚΑΙ ΒΙΟΜΗΧΑΝΩΝ (ΟΕΒ)	340.00
ΟΡΓΑΝΙΣΜΟΣ ΕΚΠΑΙΔΕΥΤΙΚΗΣ ΡΟΜΠΟΤΙΚΗΣ ΚΑΙ ΕΠΙΣΤΗΜΗΣ WRO HELLAS	9,400.00
ΟΡΓΑΝΙΣΜΟΣ ΜΕΓΑΡΟΥ ΜΟΥΣΙΚΗΣ ΑΘΗΝΩΝ	83,100.00
ΟΡΓΑΝΙΣΜΟΣ ΜΕΓΑΡΟΥ ΜΟΥΣΙΚΗΣ ΘΕΣΣΑΛΟΝΙΚΗΣ	155,000.00
ΟΡΦΑΝΟΤΡΟΦΕΙΟ ΘΗΛΕΩΝ Ι ΚΑΙ Μ ΧΑΤΖΗΚΥΡΙΑΚΟΥ	2,400.00
ΟΡΧΗΣΤΡΑ INTRARTI ΑΘΗΝΑΪΚΗ ΜΑΝΔΟΛΙΝΑΤΑ ΝΙΚΟΛΑΟΣ ΛΑΒΔΑΣ	5,000.00
Π.Γ.Ν.Λ. - Γ.Ν.Λ. ΚΟΥΤΛΙΜΠΑΝΕΙΟ ΚΑΙ ΤΡΙΑΝΤΑΦΥΛΛΕΙΟ	41,540.00
ΠΑΓΚΥΠΡΙΑ ΟΡΓΑΝΩΣΗ ΑΠΟΚΑΤΑΣΤΑΣΗΣ ΑΝΑΠΗΡΩΝ (Π.Ο.Α.Α.) ΛΕΜΕΣΟΥ	200.00
ΠΑΓΚΥΠΡΙΑ ΟΡΓΑΝΩΣΗ ΤΥΦΛΩΝ (Π.Ο.Τ)	200.00
ΠΑΓΚΥΠΡΙΟ ΣΥΝΤΟΝΙΣΤΙΚΟ ΣΥΜΒΟΥΛΙΟ ΕΘΕΛΟΝΤΙΣΜΟΥ - ΥΙΟΘΕΤΗΣΤΕ ΜΙΑ ΟΙΚΟΓΕΝΕΙΑ ΤΑ ΧΡΙΣΤΟΥΓΕΝΝΑ	1,000.00
ΠΑΓΚΥΠΡΙΟΣ ΣΥΝΔΕΣΜΟΣ ΓΙΑ ΠΑΙΔΙΑ ΜΕ ΚΑΡΚΙΝΟ Κ' ΣΥΝΑΦΕΙΣ ΠΑΘΗΣΕΙΣ ΕΝΑ ΟΝΕΙΡΟ ΜΙΑ ΕΥΧΗ	2,000.00
ΠΑΓΚΥΠΡΙΟΣ ΣΥΝΔΕΣΜΟΣ ΕΦΕΔΡΩΝ ΚΑΤΑΔΡΟΜΕΩΝ	150.00
ΠΑΓΚΥΠΡΙΟΣ ΣΥΝΔΕΣΜΟΣ ΚΑΡΚΙΝΟΠΑΘΩΝ Κ' ΦΙΛΩΝ - ΠΑΣΥΚΑΦ	260.00
ΠΑΓΚΥΠΡΙΟΣ ΣΥΝΔΕΣΜΟΣ ΠΟΛΛΑΠΛΗΣ ΣΚΛΗΡΥΝΣΗΣ	200.00
ΠΑΓΚΥΠΡΙΟΣ ΣΥΝΔΕΣΜΟΣ ΣΠΑΝΙΩΝ ΓΕΝΕΤΙΚΩΝ ΠΑΘΗΣΕΩΝ "ΜΟΝΑΔΙΚΑ ΧΑΜΟΓΕΛΑ"	500.00
ΠΑΓΚΥΠΡΙΟΣ ΣΥΝΔΕΣΜΟΣ ΦΙΛΩΝ ΝΕΦΡΟΠΑΘΩΝ	3,000.00
ΠΑΙΔΙΚΑ ΧΩΡΙΑ SOS	176.53
ΠΑΙΔΙΚΗ ΕΞΟΧΗ ΛΑΡΝΑΚΑΣ	200.00
ΠΑΝΕΛΛΗΝΙΑ ΕΝΩΣΗ ΕΚΚΟΚΚΙΣΤΩΝ ΚΑΙ ΕΞΑΓΩΓΕΩΝ ΒΑΜΒΑΚΟΣ	1,000.00
ΠΑΝΕΛΛΗΝΙΟ ΣΥΝΕΔΡΙΟ ΠΡΟΑΥΣ	7,000.00
ΠΑΝΕΛΛΗΝΙΟΣ ΓΥΜΝΑΣΤΙΚΟΣ ΣΥΛΛΟΓΟΣ	3,000.00
ΠΑΝΕΛΛΗΝΙΟΣ ΕΝΩΣΗ ΓΟΝΕΩΝ Η ΧΡΙΣΤΙΑΝΙΚΗ ΑΓΩΓΗ	1,000.00
ΠΑΝΕΠΙΣΤΗΜΙΑΚΟ ΓΕΝΙΚΟ ΝΟΣΟΚΟΜΕΙΟ ΙΩΑΝΝΙΝΩΝ	840.00
ΠΑΝΕΠΙΣΤΗΜΙΟ ΠΑΤΡΩΝ ΕΙΔΙΚΟΣ ΛΟΓΑΡΙΑΣΜΟΣ ΚΟΝΔΥΛΙΩΝ ΕΡΕΥΝΑΣ	5,000.00
ΠΑΝΠΟΝΤΙΑΚΗ ΟΜΟΣΠΟΝΔΙΑ ΕΛΛΑΔΟΣ	500.00
ΠΕΙΡΑΙΚΗ ΕΝΩΣΗ ΓΟΝΕΩΝ ΚΗΔΕΜΟΝΩΝ ΚΑΙ ΦΙΛΩΝ ΑΜΕΑ ΜΕΚ ΑΜΕΑ	620.00
ΠΕΛΟΠΟΝΝΗΣΟΣ ΠΑΤΡΩΝ ΕΚΔΟΣΕΙΣ ΑΕ	4,000.00
ΠΕΟ	200.00

\* Names have not been translated into english.



ΠΟΛΙΤΙΣΤΙΚΟ ΙΔΡΥΜΑ ΙΟΝΙΚΗΣ ΤΡΑΠΕΖΗΣ	12,000.00
ΠΟΛΙΤΙΣΤΙΚΟΣ ΑΘΛΗΤΙΚΟΣ ΣΥΛΛΟΓΟΣ ΟΝΗΣΙΛΟΣ	400.00
ΠΟΛΙΤΙΣΤΙΚΟΣ ΣΥΛΛΟΓΟΣ ΓΑΛΑΤΑ	400.00
ΠΟΛΙΤΙΣΤΙΚΟΣ ΣΥΛΛΟΓΟΣ ΗΠΕΙΡΩΡΩΝ ΜΕΤΑΜΟΡΦΩΣΗΣ Ο ΠΥΡΡΟΣ	300.00
ΠΟΛΙΤΙΣΤΙΚΟΣ ΣΥΛΛΟΓΟΣ ΘΟΛΑΡΙΩΝ ΑΜΟΡΓΟΥ	800.00
ΠΟΛΥΤΕΧΝΕΙΟ ΚΡΗΤΗΣ ΕΙΔΙΚΟΣ ΛΟΓΑΡΙΑΣΜΟΣ ΚΟΝΔΥΛΙΩΝ ΕΡΕΥΝΑΣ	2,419.35
ΠΡΟΓΡΑΜΜΑ ΜΑΖΙ ΜΕ ΣΤΟΧΟ ΤΗΝ ΠΑΙΔΕΙΑ	124,200.00
ΠΡΟΓΡΑΜΜΑ ΜΑΖΙ ΜΕ ΣΤΟΧΟ ΤΗΝ ΥΓΕΙΑ (ΑΓΟΡΑ ΙΑΤΡΙΚΩΝ ΜΗΧΑΝΗΜΑΤΩΝ ΚΑΙ ΑΝΑΛΩΣΙΜΩΝ ΓΙΑ ΠΕΡΙΦΕΡΕΙΑΚΑ ΙΑΤΡΕΙΑ)	269,409.84
ΠΡΟΓΡΑΜΜΑ ΟΙ ΦΘΟΡΕΣ ΠΟΥ ΠΛΗΓΩΝΟΥΝ ΣΤΗΝ ΑΘΗΝΑ ΚΑΙ ΣΤΗ ΘΕΣΣΑΛΟΝΙΚΗ	16,374.20
ΠΡΟΓΡΑΜΜΑ ΧΕΡΙ ΒΟΗΘΕΙΑΣ	34,200.00
ΠΡΟΛΗΨΙΣ ΑΣΤΙΚΗ ΜΗ ΚΕΡΔΟΣΚΟΠΙΚΗ ΕΤΑΙΡΕΙΑ ΠΡΟΛΗΠΤΙΚΗΣ ΠΕΡΙΒΑΛΛΟΝΤΙΚΗΣ ΚΑΙ ΕΡΓΑΣΙΑΚΗΣ ΙΑΤΡΙΚΗΣ	3,000.00
ΠΥΡΝΑ ΟΙ ΣΥΝΑΝΤΗΣΕΙΣ ΤΗΣ	1,000.00
ΠΥΡΟΣΒΕΣΤΙΚΟ ΚΛΙΜΑΚΙΟ ΑΙΓΙΝΗΣ	321.94
Σ. ΑΥΓΟΥΛΕΑ - ΛΙΝΑΡΔΑΤΟΥ ΑΕΕ ΙΔΙΩΤΙΚΑ ΕΚΠΑΙΔΕΥΤΗΡΙΑ	1,000.00
ΣΕΚ	200.00
ΣΚΑΚΙΣΤΙΚΟΣ ΟΜΙΛΟΣ ΗΡΑΚΛΕΙΟΥ	1,000.00
ΣΥΛΛΟΓΟΣ ΑΘΛΗΤΙΣΜΟΥ - ΠΟΛΙΤΙΣΜΟΥ ΔΙΚΗΓΩΡΩΝ ΑΓΡΙΝΙΟΥ ΚΑΙ ΦΙΛΩΝ	2,000.00
ΣΥΛΛΟΓΟΣ ΑΠΟΦΟΙΤΩΝ ΚΟΛΛΕΓΙΟΥ ΑΝΑΤΟΛΙΑ ΕΝ ΑΘΗΝΑΙΣ	2,000.00
ΣΥΛΛΟΓΟΣ ΑΠΟΦΟΙΤΩΝ ΟΥΡΣΟΥΛΙΝΩΝ ΑΘΗΝΩΝ	1,500.00
ΣΥΛΛΟΓΟΣ ΓΕΡΜΑΝΙΚΗΣ ΣΧΟΛΗΣ ΑΘΗΝΩΝ	800.00
ΣΥΛΛΟΓΟΣ ΓΟΝΕΩΝ ΚΑΙ ΚΗΔΕΜΟΝΩΝ ΑΓΙΑΣ ΜΑΡΙΝΑΣ ΛΕΡΟΥ	500.00
ΣΥΛΛΟΓΟΣ ΓΟΝΕΩΝ ΚΑΙ ΚΗΔΕΜΟΝΩΝ ΓΥΜΝΑΣΙΟΥ ΣΠΕΤΣΩΝ	150.00
ΣΥΛΛΟΓΟΣ ΕΚΠΑΙΔΕΥΤΙΚΩΝ Π.Ε.Ν. ΕΒΡΟΥ	250.00
ΣΥΛΛΟΓΟΣ ΕΠΑΓΓΕΛΜΑΤΙΩΝ ΔΔ ΤΡΙΚΑΛΩΝ ΚΟΡΙΝΘΙΑΣ	500.00
ΣΥΛΛΟΓΟΣ ΕΡΓΑΖΟΜΕΝΩΝ ΓΕΝΙΚΟΥ ΝΟΣΟΚΟΜΕΙΟΥ ΛΑΡΙΣΑΣ	1,200.00
ΣΥΛΛΟΓΟΣ Η ΚΑΡΔΙΑ ΤΟΥ ΠΑΙΔΙΟΥ	1,000.00
ΣΥΛΛΟΓΟΣ ΝΟΣΗΛΕΙΑ	1,000.00
ΣΥΛΛΟΓΟΣ ΠΡΟΣΤΑΣΙΑΣ ΑΓΕΝΝΗΤΟΥ ΠΑΙΔΙΟΥ Η ΑΓΚΑΛΙΑ	387.96
ΣΥΛΛΟΓΟΣ ΠΡΟΩΘΗΣΗΣ ΤΗΣ ΕΛΛΗΝΙΚΗΣ ΤΕΧΝΟΛΟΓΙΚΗΣ ΕΠΙΧΕΙΡΗΜΑΤΙΚΟΤΗΤΑΣ ΜΗ ΚΕΡΔΟΣΚΟΠΙΚΟ ΣΩΜΑΤΕΙΟ	10,000.00
ΣΥΛΛΟΓΟΣ ΦΙΛΩΝ ΑΜΕΡΙΚΑΝΙΚΗΣ ΓΕΩΡΓΙΚΗΣ ΣΧΟΛΗΣ	65,000.00
ΣΥΛΛΟΓΟΣ ΦΙΛΩΝ ΓΕΝΙΚΟΥ ΟΓΚΟΛΟΓΙΚΟΥ ΝΟΣΟΚΟΜΕΙΟΥ ΟΙ ΑΓΙΟΙ ΑΝΑΡΓΥΡΟΙ	2,000.00
ΣΥΛΛΟΓΟΣ ΦΙΛΩΝ ΝΟΣΟΚΟΜΕΙΟΥ ΠΑΠΑΓΕΩΡΓΙΟΥ Η ΑΝΤΗΡΙΔΑ	2,000.00
ΣΥΛΛΟΓΟΣ ΦΙΛΩΝ ΤΩΝ ΠΑΙΔΙΩΝ ΜΕ ΧΡΟΝΙΕΣ ΡΕΥΜΑΤΟΠΑΘΕΙΕΣ ΠΑΙΔΙΚΟΣ ΑΝΤΙΡΕΥΜΑΤΙΚΟΣ ΑΓΩΝΑΣ	2,000.00
ΣΥΜΒΟΥΛΙΟ ΑΕΙΟΦΟΡΩΝ ΚΤΗΡΙΩΝ ΕΛΛΑΔΟΣ	1,450.00
ΣΥΜΠΛΕΥΣΗ ΑΜΚΕ	2,000.00
ΣΥΝΔΕΣΜΟΣ ΒΑΓΟΝΙ ΑΓΑΠΗΣ	700.00
ΣΥΝΔΕΣΜΟΣ ΒΙΟΜΗΧΑΝΙΩΝ ΒΟΡΕΙΟΥ ΕΛΛΑΔΟΣ	11,612.90
ΣΥΝΔΕΣΜΟΣ ΒΙΟΜΗΧΑΝΙΩΝ ΘΕΣΣΑΛΙΑΣ ΚΑΙ ΚΕΝΤΡΙΚΗ ΕΛΛΑΔΟΣ	500.00
ΣΥΝΔΕΣΜΟΣ ΓΟΝΕΩΝ ΔΗΜΟΤΙΚΟΥ ΣΧΟΛΕΙΟΥ ΑΓ.ΒΑΣΙΛΕΙΟΥ	150.00
ΣΥΝΔΕΣΜΟΣ ΓΟΝΕΩΝ ΔΗΜΟΤΙΚΟΥ ΣΧΟΛΕΙΟΥ ΛΥΚΑΒΗΤΟΥ	300.00
ΣΥΝΔΕΣΜΟΣ ΓΟΝΕΩΝ Κ' ΚΗΔΕΜΟΝΩΝ ΓΥΜΝΑΣΙΟΥ ΠΑΛΟΥΡΙΩΤΙΣΣΑΣ	200.00
ΣΥΝΔΕΣΜΟΣ ΓΟΝΕΩΝ Κ' ΚΗΔΕΜΟΝΩΝ ΔΗΜΟΤΙΚΟΥ ΣΧΟΛΕΙΟΥ Κ.ΠΟΛΕΜΙΔΙΩΝ ΙΕ'- ΑΓΙΟΥ ΝΕΟΦΥΤΟΥ	200.00
ΣΥΝΔΕΣΜΟΣ ΓΟΝΕΩΝ ΚΑΙ ΚΗΔΕΜΟΝΩΝ ΔΗΜΟΤΙΚΟΥ ΣΧΟΛΕΙΟΥ ΑΠΟΣΤΟΛΟΥ ΒΑΡΝΑΒΑ	200.00
ΣΥΝΔΕΣΜΟΣ ΓΟΝΕΩΝ ΝΗΠΙΑΓΩΓΕΙΟΥ ΑΓΙΩΝ ΑΝΑΡΓΥΡΩΝ	200.00
ΣΥΝΔΕΣΜΟΣ ΓΟΝΕΩΝ ΣΤ' ΔΗΜΟΤΙΚΟΥ ΣΧΟΛΕΙΟΥ ΑΓΛΑΝΤΖΙΑΣ	250.00
ΣΥΝΔΕΣΜΟΣ ΕΠΕΝΔΥΤΩΝ ΚΑΙ ΔΙΑΔΙΚΤΟΥ	1,000.00
ΣΥΝΔΕΣΜΟΣ ΕΠΙΧΕΙΡΗΣΕΩΝ ΚΑΙ ΒΙΟΜΗΧΑΝΙΩΝ ΣΕΒ	12,000.00
ΣΥΝΔΕΣΜΟΣ ΘΕΡΑΠΕΥΤΙΚΗΣ ΙΠΠΑΣΙΑΣ ΕΛΛΑΔΟΣ	3,000.00
ΣΥΝΔΕΣΜΟΣ ΘΕΣΣΑΛΙΚΩΝ ΕΠΙΧΕΙΡΗΣΕΩΝ ΚΑΙ ΒΙΟΜΗΧΑΝΙΩΝ	500.00
ΣΥΝΔΕΣΜΟΣ ΚΟΙΝΩΝΙΚΗΣ ΕΥΘΥΝΗΣ ΓΙΑ ΠΑΙΔΙΑ ΚΑΙ ΝΕΟΥΣ ΣΚΕΠ	500.00

\* Names have not been translated into english.



ΣΥΝΔΕΣΜΟΣ ΣΧΟΛΙΚΩΝ ΕΠΙΚΟΥΡΙΚΩΝ ΥΠΟΤΡΟΦΙΩΝ	600.00
ΣΥΝΔΕΣΜΟΣ ΦΙΛΩΝ ΑΓΙΑΣ ΣΚΕΠΗΣ ΕΠΑΡΧΙΑΣ ΛΑΡΝΑΚΑΣ / ΑΜΜΟΧΩΣΤΟΥ	200.00
ΣΥΝΤΕΧΝΙΑ ΤΟΥ ΓΕΛΙΟΥ ΑΜΚΕ	3,500.00
ΣΧΟΛΕΙΟ ΔΕΥΤΕΡΗΣ ΕΥΚΑΙΡΙΑΣ ΑΧΑΡΝΩΝ	630.02
ΣΧΟΛΙΚΕΣ ΕΠΙΤΡΟΠΕΣ ΔΗΜΟΥ ΠΥΡΓΟΥ	310.00
ΣΩΜΑ ΕΛΛΗΝΙΚΟΥ ΟΔΗΓΙΣΜΟΥ	2,000.00
ΣΩΜΑ ΟΜΟΤΙΜΩΝ ΚΑΘΗΓΗΤΩΝ ΠΑΝΕΠΙΣΤΗΜΙΟΥ ΑΘΗΝΩΝ	450.00
ΣΩΜΑ ΟΜΟΤΙΜΩΝ ΚΑΘΗΓΗΤΩΝ ΤΟΥ ΕΘΝΙΚΟΥ ΜΕΤΣΟΒΙΟΥ ΠΟΛΥΤΕΧΝΕΙΟΥ	2,000.00
ΣΩΜΑΤΕΙΟ ΓΙΑ ΤΗΝ ΑΝΤΙΜΕΤΩΠΙΣΗ ΤΟΥ ΠΑΙΔΙΚΟΥ ΤΡΑΥΜΑΤΟΣ	8,000.00
ΣΩΜΑΤΕΙΟ ΕΛΙΖΑ ΕΤΑΙΡΙΑ ΚΑΤΑ ΤΗΣ ΚΑΚΟΠΟΙΗΣΗΣ ΤΟΥ ΠΑΙΔΙΟΥ	1,500.00
ΣΩΜΑΤΕΙΟ ΚΟΙΝΩΝΙΚΗ ΜΕΡΙΜΝΑ ΑΓΙΩΝ ΟΜΟΛΟΓΗΤΩΝ ΚΥΠΡΟΥ	1,500.00
ΣΩΜΑΤΕΙΟ ΜΑΖΙ ΓΙΑ ΤΟ ΠΑΙΔΙ	2,500.00
ΣΩΜΑΤΕΙΟ ΝΑΥΤΙΚΩΝ ΓΟΝΕΩΝ ΠΑΙΔΙΩΝ ΜΕ ΕΙΔΙΚΕΣ ΑΝΑΓΚΕΣ Η ΑΡΓΩ	8,000.00
ΣΩΜΑΤΕΙΟ ΟΙ ΕΠΤΑΨΥΧΕΣ NINE LIVES	300.00
ΣΩΜΑΤΕΙΟ ΟΙ ΦΙΛΟΙ ΤΗΣ ΜΕΡΙΜΝΑΣ	1,500.00
ΣΩΜΑΤΕΙΟ ΟΙ ΦΙΛΟΙ ΤΟΥ ΠΑΙΔΙΟΥ	1,000.00
ΤΑΜΕΙΟ ΠΡΟΝΟΙΑΣ ΠΡΟΣΩΠΙΚΟΥ ΙΔΥΜΑΤΟΣ «ΘΕΟΤΟΚΟΣ»	200.00
ΤΟ ΠΕΡΙΒΟΛΙ ΤΗΣ ΓΙΑΓΙΑΣ	630.02
ΤΟ ΧΑΜΟΓΕΛΟ ΤΟΥ ΠΑΙΔΙΟΥ	1,100.00
ΤΟΠΙΚΗ ΔΙΟΙΚΟΥΣΑ ΕΠΙΤΡΟΠΗ ΠΑΡΑΡΤΗΜΑΤΟΣ ΕΛΕΠΑΠ	250.00
ΤΟΠΙΚΗ ΚΟΙΝΟΤΗΤΑ ΑΠΟΔΟΥΛΟΥ ΡΕΘΥΜΝΟΥ	314.99
ΦΑΡΙΣ ΚΟΙΝΩΦΕΛΗΣ ΕΠΙΧΕΙΡΗΣΗ ΔΗΜΟΥ ΚΑΛΑΜΑΤΑΣ	5,000.00
ΦΕΣΤΙΒΑΛ ΚΙΘΑΡΑΣ ΚΑΛΑΜΑΤΑΣ	300.00
ΦΕΣΤΙΒΑΛ ΚΙΝΗΜΑΤΟΓΡΑΦΟΥ ΘΕΣΣΑΛΟΝΙΚΗΣ	45,000.00
ΦΕΣΤΙΒΑΛ ΛΑΡΝΑΚΑΣ	200.00
ΦΙΛΟΔΑΣΙΚΗ ΕΝΩΣΗ ΑΘΗΝΩΝ	8,000.00
ΦΙΛΟΣΩΦΙΚΟ ΚΑΙ ΠΟΛΙΤΙΣΤΙΚΟ ΣΩΜΑΤΕΙΟ ΠΑΛΑΙΟΥ ΦΑΛΗΡΟΥ	500.00
ΦΙΛΟΙ ΚΟΙΝΩΝΙΚΗΣ ΠΑΙΔΙΑΤΡΙΚΗΣ ΙΑΤΡΙΚΗΣ ΑΝΟΙΧΤΗ ΑΓΚΑΛΙΑ	10,000.00
ΦΛΟΓΑ ΣΥΛΛΟΓΟΣ ΓΟΝΙΩΝ ΠΑΙΔΙΩΝ ΜΕ ΝΕΟΠΛΑΣΜΑΤΙΚΕΣ ΑΣΘΕΝΕΙΕΣ	400.00
ΧΟΡΩΔΙΑ ΑΡΜΕΝΙΚΗΣ ΚΟΙΝΟΤΗΤΑΣ ΚΥΠΡΟΥ	500.00
	<b>3,595,759.27</b>

**PAYMENTS DUE TO DONATIONS, SPONSORSHIP, SUBSIDIES OR OTHER CHARITABLE REASONS OF AMOUNTS LESS THAN EURO 100 PER LEGAL ENTITY**
**Name\***

DRFPP KORCE / REGIONAL DIRECTORY OF PROFESSIONAL PUBLIC TRAINING KORCE
GOFFS GREEK SCHOOL
IPRO (IMMOVABLE PROPERTY REGISTRATION OFFICE), DEVOLL
TICKET HOUR CYPRUS-ΑΝΤΙΚΑΡΚΙΝΙΚΟΣ ΣΥΝΔΕΣΜΟΣ ΚΥΠΡΟΥ
UNICEF
ΔΗΜΟΣΙΟ ΝΗΠΙΑΓΩΓΕΙΟ ΚΑΙΜΑΚΛΙΟΥ Γ'
ΕΛΛΗΝΙΚΟ ΣΩΜΑ ΕΡΕΥΝΑΣ & ΔΙΑΣΩΣΗΣ
ΕΛΠΙΔΑ ΖΩΗ
ΕΜΠΟΡΟΕΠΑΓΓΕΛΜΑΤΙΚΟΣ ΚΑΙ ΒΙΟΤΕΧΝΙΚΟΣ ΣΥΛΛΟΓΟΣ ΤΗΝΟΥ
ΙΕΡΑ ΜΗΤΡΟΠΟΛΗ ΜΕΓΑΡΩΝ ΚΑΙ ΣΑΛΑΜΙΝΟΣ
ΚΕΝΘΕΑ
ΚΟΙΝΟΤΙΚΟ ΣΥΜΒΟΥΛΙΟ ΚΟΝΤΕΑΣ ΚΥΠΡΟΥ
ΟΙ ΦΙΛΟΙ ΤΟΥ ΜΟΥΣΕΙΟΥ ΑΡΧΑΙΑΣ ΕΛΕΥΘΕΡΝΑΣ
ΠΑΝΕΛΛΗΝΙΟΣ ΣΥΛΛΟΓΟΣ ΣΥΜΠΑΡΑΣΤΑΣΗΣ & ΑΡΩΓΗΣ ΠΑΡΑΠΛΗΓΙΚΩΝ & ΑΤΟΜΩΝ ΜΕ ΕΙΔΙΚΕΣ ΑΝΑΓΚΕΣ ΗΛΙΑΧΤΙΔΑ
ΣΥΝΔΕΣΜΟΣ ΓΟΝΕΩΝ ΕΙΔΙΚΟΥ ΣΧΟΛΕΙΟΥ ΛΕΥΚΩΣΙΑΣ

\* Names have not been translated into english.



ΣΥΝΔΕΣΜΟΣ ΓΟΝΕΩΝ ΚΑΙ ΦΙΛΩΝ ΚΑΡΔΙΟΠΑΘΩΝ ΠΑΙΔΙΩΝ
ΣΥΝΔΕΣΜΟΣ ΚΑΡΔΙΟΠΑΘΩΝ ΛΕΥΚΩΣΙΑΣ
ΦΙΛΑΝΘΡΩΠΙΚΟ ΣΩΜΑΤΕΙΟ HILTON ΚΥΠΡΟΥ

The above table refers to donations to legal entities of amounts less than € 100 with total amount equal to € 1,231.85.

<b>TOTAL PAYMENTS TO LEGAL ENTITIES DUE TO DONATIONS, SPONSORSHIP, SUBSIDIES OR OTHER CHARITABLE REASONS</b>	<b>3,596,991.12</b>
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<b>DONATIONS, SPONSORSHIP, SUBSIDIES OR OTHER CHARITABLE REASONS TO INDIVIDUALS - NINE (9) BENEFICIARIES</b>	<b>52,545.11</b>
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<b>DONATIONS OF FIXED ASSETS</b>
<b>Name*</b>
10ο ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΑΣΠΡΟΠΥΡΓΟΥ
11ο ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΙΛΙΟΥ
11ο ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΠΤΟΛΕΜΑΙΔΟΣ
11ο ΛΥΚΕΙΟ ΘΕΣΣΑΛΟΝΙΚΗΣ
12/Θ ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΑΙΑΝΤΕΙΟΥ
13ο ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΧΑΛΚΙΔΟΣ
13ο ΕΝΙΑΙΟ ΛΥΚΕΙΟ ΑΘΗΝΩΝ
13ο ΕΣΠΕΡΙΝΟ ΕΠΑΛ ΘΕΣΣΑΛΟΝΙΚΗΣ
145ο ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΑΘΗΝΩΝ
14ο ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΠΕΡΙΣΤΕΡΙΟΥ
15ο ΓΕΝΙΚΟ ΛΥΚΕΙΟ ΠΕΙΡΑΙΑ
16ο ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΙΛΙΟΥ
16ο ΝΗΠΙΑΓΩΓΕΙΟ ΚΑΛΛΙΘΕΑΣ
19ο ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΚΟΖΑΝΗΣ
1ο ΓΥΜΝΑΣΙΟ ΜΕΛΙΣΣΙΩΝ
1ο ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΑΡΓΟΣΤΟΛΙΟΥ
1ο ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΗΓΟΥΜΕΝΙΤΣΑΣ
1ο ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΙΛΙΟΥ
1ο ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΠΛΑΚΙΑΣ ΡΕΘΥΜΝΟΥ
1ο ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΑΓ. ΔΗΜΗΤΡΙΟΥ
1ο Γ.Ε.Λ. ΛΑΡΙΣΗΣ
1ο ΓΥΜΝΑΣΙΟ ΜΟΣΧΑΤΟΥ
1ο ΓΥΜΝΑΣΙΟ ΠΑΛΛΗΝΗΣ
1ο ΓΥΜΝΑΣΙΟ ΠΕΥΚΩΝ ΘΕΣΣΑΛΟΝΙΚΗΣ
1ο ΓΥΜΝΑΣΙΟ ΤΟΥΜΠΑΣ
1ο ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΑΙΤΩΛΙΚΟΥ
1ο ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΔΑΦΝΗΣ ΝΑΥΠΑΚΤΙΑΣ
1ο ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΚΑΣΤΟΡΙΑΣ
1ο ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΝΕΟΧΩΡΙΟΥ
1ο ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΤΡΙΑΝΔΡΙΑΣ
1ο ΕΠΑ.Λ. ΧΑΛΑΝΔΡΙΟΥ
1ο ΕΠΑΛ ΛΑΓΚΑΔΑ
1ο ΕΠΑΛ ΣΤΑΥΡΟΥ ΘΕΣΣΑΛΟΝΙΚΗΣ
1ο ΚΑΠΗ ΔΗΜΟΥ ΑΙΓΑΛΕΩ
1ο ΝΗΠΙΑΓΩΓΕΙΟ ΒΥΡΩΝΑ
21ο ΓΥΜΝΑΣΙΟ ΑΘΗΝΩΝ
21ο ΝΗΠΙΑΓΩΓΕΙΟ ΚΕΡΑΤΣΙΝΙΟΥ
22ο ΝΗΠΙΑΓΩΓΕΙΟ ΚΑΛΑΜΑΡΙΑΣ
23ο ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΚΕΡΑΤΣΙΝΙΟΥ

\* Names have not been translated into english.



27ο ΓΕΝΙΚΟ ΛΥΚΕΙΟ ΑΘΗΝΩΝ
2ο ΓΕΛ ΑΛΙΜΟΥ
2ο ΓΕΝΙΚΟ ΛΥΚΕΙΟ ΑΓ.ΔΗΜΗΤΡΙΟΥ
2ο ΓΕΝΙΚΟ ΛΥΚΕΙΟ ΝΑΟΥΣΗΣ
2ο ΓΕΝΙΚΟ ΛΥΚΕΙΟ ΝΕΑΣ ΦΙΛΑΔΕΛΦΕΙΑΣ
2ο ΓΥΜΝΑΣΙΟ ΑΓΙΑΣ ΒΑΡΒΑΡΑΣ
2ο ΓΥΜΝΑΣΙΟ ΑΛΙΜΟΥ
2ο ΓΥΜΝΑΣΙΟ ΑΡΓΟΣΤΟΛΙΟΥ
2ο ΓΥΜΝΑΣΙΟ ΗΛΙΟΥΠΟΛΕΩΣ
2ο ΓΥΜΝΑΣΙΟ ΚΑΛΛΙΘΕΑΣ
2ο ΓΥΜΝΑΣΙΟ ΝΑΪΟΥ
2ο ΓΥΜΝΑΣΙΟ ΝΕΑΣ ΜΑΚΡΗΣ
2ο ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΚΑΡΥΣΤΟΥ
2ο ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΚΗΦΙΣΙΑΣ
2ο ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΛΑΓΚΑΔΑ
2ο ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΝΑΥΠΑΚΤΟΥ
2ο ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΟΡΧΟΜΕΝΟΥ
2ο ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΠΙΚΕΡΜΙΟΥ
2ο ΕΠΑ.Λ. ΑΘΗΝΩΝ
2ο ΝΗΠΙΑΓ. & 2ο ΔΗΜ/ΚΟ ΚΟΥΝΟΥΠΙΔΙΑΝ
2ο ΝΗΠΙΑΓΩΓΕΙΟ ΖΑΓΟΡΑΣ ΒΟΛΟΥ
3ο ΓΥΜΝΑΣΙΟ ΑΓΙΟΥ ΔΗΜΗΤΡΙΟΥ
3ο ΓΥΜΝΑΣΙΟ ΑΙΓΑΛΕΩ
3ο ΓΥΜΝΑΣΙΟ ΑΡΓΟΣΤΟΛΙΟΥ
3ο ΓΥΜΝΑΣΙΟ ΠΕΤΡΟΥΠΟΛΗΣ
3ο ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΑΡΓΟΣΤΟΛΙΟΥ
3ο ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΖΩΓΡΑΦΟΥ
3ο Ε.Κ. ΑΜΑΡΟΥΣΙΟΥ
3ο ΕΡΓΑΣΤΗΡΙΑΚΟ ΚΕΝΤΡΟ ΑΘΗΝΩΝ
49ο Γ.Ε.ΛΥΚΕΙΟ ΑΘΗΝΩΝ
49ο ΓΥΜΝΑΣΙΟ ΑΘΗΝΩΝ
4ο ΓΕΛ ΚΑΛΑΜΑΤΑΣ
4ο ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΜΕΛΙΣΣΙΩΝ
4ο ΓΕΛ ΛΑΡΙΣΑΣ
4ο ΓΥΜΝΑΣΙΟ ΒΥΡΩΝΑ
4ο ΓΥΜΝΑΣΙΟ ΚΑΛΑΜΑΡΙΑΣ
4ο ΓΥΜΝΑΣΙΟ ΚΟΡΙΝΘΟΥ
4ο ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΑΛΜΥΡΟΥ
4ο ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ Ν. ΗΡΑΚΛΕΙΟΥ
4ο ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΣΠΑΡΤΗΣ
56ο ΔΗΜΟΤΙΚΟ ΧΑΤΖΗΚΥΡΙΑΚΕΙΟ ΠΕΙΡΑΙΑ
5ο Γ.Ε.Λ. ΚΑΛΑΜΑΡΙΑΣ
5ο ΓΥΜΝΑΣΙΟ ΑΘΗΝΩΝ
5ο ΓΥΜΝΑΣΙΟ ΠΑΛΛΑΙΟΥ ΦΑΛΗΡΟΥ
6 ΘΕΣΙΟ ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΠΥΛΟΥ
63ο ΓΥΜΝΑΣΙΟ ΑΘΗΝΩΝ
6ο & 14ο ΔΗΜΟΤΙΚΟ ΠΕΡΙΣΤΕΡΙΟΥ
6ο ΓΕΝΙΚΟ ΛΥΚΕΙΟ ΑΘΗΝΩΝ
6ο ΓΥΜΝΑΣΙΟ ΝΕΑΣ ΣΜΥΡΝΗΣ
6ο ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΜΟΣΧΑΤΟΥ
6ο ΕΡΓΑΣΤΗΡΙΑΚΟ ΚΕΝΤΡΟ ΚΟΡΥΔΑΛΛΟΥ

\* Names have not been translated into english.





6ο ΕΣΠΕΡΙΝΟ ΕΠΑΛ ΘΕΣΣΑΛΟΝΙΚΗΣ
79 ΑΝΩΤΕΡΗ ΔΙΟΙΚΗΣΗ ΤΑΓΜΑΤΩΝ
79ο ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΘΕΣΣΑΛΟΝΙΚΗΣ
7ο ΓΥΜΝΑΣΙΟ ΚΑΛΑΜΑΤΑΣ
7ο ΓΥΜΝΑΣΙΟ ΧΑΙΔΑΡΙΟΥ
7ο ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΒΟΛΟΥ
7ο ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΠΑΛ. ΦΑΛΗΡΟΥ
7ο ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΠΕΡΙΣΤΕΡΙΟΥ
7ο ΝΗΠΙΑΓΩΓΕΙΟ ΛΙΒΑΔΕΙΑΣ
8ο ΓΥΜΝΑΣΙΟ ΘΕΣΣΑΛΟΝΙΚΗΣ
8ο ΓΥΜΝΑΣΙΟ ΘΕΣΣΑΛΟΝΙΚΗΣ
8ο ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΕΥΟΣΜΟΥ
8ο ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΠΤΟΛΕΜΑΙΔΟΣ
9ο ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΒΥΡΩΝΑ
9ο ΝΗΠΙΑΓΩΓΕΙΟ ΛΙΒΑΔΕΙΑΣ
Α.Π.Ε ΛΑΥΡΕΩΤΙΚΗ
Α.Τ. ΠΕΡΙΣΤΕΡΙΟΥ
ΑΘΛΗΤΙΚΟΣ ΟΜΙΛΟΣ ΕΚΑΛΗΣ
ΑΣΤΥΝΟΜΙΚΟ ΤΜΗΜΑ ΠΟΡΟΥ
ΑΣΤΥΝΟΜΙΚΟ ΤΜΗΜΑ ΣΕΡΡΩΝ
ΑΣΤΥΝΟΜΙΚΟ ΤΜΗΜΑ ΣΥΝΤΑΓΜΑΤΟΣ
Γ.Ο.Ν.Κ. "ΟΙ ΑΓΙΟΙ ΑΝΑΡΓΥΡΟΙ"
ΓΕΑ-ΓΕΝ-ΓΕΣ/ΛΟΧΟΣ ΣΤΡΑΤ. ΑΣΔΕΝ
ΓΕΝΙΚΗ ΑΣΤΥΝ/ΚΗ Δ/ΝΣΗ ΑΤΤΙΚΗΣ
ΓΕΝΙΚΟ ΛΥΚΕΙΟ ΑΛΜΥΡΟΥ
ΓΕΝΙΚΟ ΛΥΚΕΙΟ ΚΑΜΙΝΙΩΝ
ΓΕΝΙΚΟ ΛΥΚΕΙΟ ΝΕΑΣ ΧΑΛΚΗΔΟΝΑΣ
ΓΕΝΙΚΟ ΛΥΚΕΙΟ ΣΑΜΟΘΡΑΚΗΣ
ΓΕΝΙΚΟ ΝΟΣΟΚΟΜΕΙΟ ΘΩΡΑΚΟΣ ΣΩΤΗΡΙΑ
ΓΕΝΙΚΟ ΝΟΣΟΚΟΜΕΙΟ*ΠΑΜΜΑΚΑΡΙΣΤΟΣ*
ΓΕΦΥΡΑ ΖΩΗΣ ΑΜΕΑ
ΓΥΜΝΑΣΙΟ ΚΑΡΕΑ
ΓΥΜΝΑΣΙΟ ΝΑΟΥΣΑΣ ΠΑΡΟΥ
ΓΥΜΝΑΣΙΟ ΠΑΡΑΛΙΑΣ ΚΑΛΑΜΑΤΑΣ
ΓΥΝΑΙΚΕΙΑ ΚΟΙΝΟΒΙΑΚΗ ΠΡΟΤΥΠΟΣ Ι.Μ. Η ΘΕΟΜΗΤΩΡ
ΔΗΜ.ΑΘΛΗΤΙΚΟΣ ΣΥΛΛΟΓΟΣ ΖΕΦΥΡΙΟΥ
ΔΗΜΟΣ ΙΛΙΟΥ
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ΔΗΜΟΣ ΤΗΝΟΥ
ΔΗΜΟΣ ΤΡΟΙΖΗΝΙΑΣ-ΜΕΘΑΝΩΝ
ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΑΡΜΕΝΩΝ
ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΒΑΘΕΩΣ ΣΑΜΟΥ
ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΒΕΛΟΥ-ΒΟΧΑΣ
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ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΚΑΛΟΧΩΡΙΟΥ
ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΚΑΜΑΡΩΝ ΑΙΓΙΑΛΕΙΑΣ
ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΛΑΓΥΝΩΝ
ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ -ΝΗΠΙΑΓΩΓΕΙΟ ΘΥΜΑΙΝΑ-ΦΟΥΡΝΟΙ

\* Names have not been translated into english.



ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΞΗΡΟΠΗΓΑΔΟΥ
ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΣΚΙΝΕ-ΦΟΥΡΝΕ
ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΣΚΟΤΟΥΣΗΣ
ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΧΡΥΣΑΣ ΤΣΑΚΩΝ
ΕΙΔ.ΕΡΓΑΣΤΗΡΙΟ ΕΠΑΓΓΕΛΜ.ΕΚΠΑΙΔΕΥΣΗΣ
ΕΙΔΙΚΟ ΕΠΑΛ ΙΛΙΟΥ
ΕΛ.ΑΣ/ ΑΡΧΗΓΕΙΟ ΥΠΗΡΕΣΙΑ ΜΗ ΕΠΑΝΔΡΩΜΕΝΩΝ ΑΕΡΟΣΚΑΦΩΝ
ΕΛ.ΑΣ/ Α' ΤΜ. ΤΡΟΧΑΙΑΣ ΔΥΤ. ΑΤΤΙΚΗΣ
ΕΛ.ΑΣ/ Α.Τ. ΚΑΛΑΜΑΤΑΣ
ΕΛ.ΑΣ/ Α.Τ. ΚΥΨΕΛΗΣ
ΕΛ.ΑΣ/ Α.Τ. ΠΟΡΟΥ
ΕΛ.ΑΣ/ Δ/ΝΣΗ ΑΜΕΣΟΥ ΔΡΑΣΕΩΣ ΑΤΤΙΚΗΣ
ΕΛ.ΑΣ/ ΔΝΣΗ ΑΣΤΥΝΟΜΙΑΣ ΞΑΝΘΗΣ
ΕΛ.ΑΣ/ ΔΝΣΗ ΑΣΦΑΛΕΙΑΣ ΑΤΤΙΚΗΣ
ΕΛ.ΑΣ/ ΔΝΣΗ ΤΡΟΧΑΙΑΣ ΑΤΤΙΚΗΣ
ΕΛ.ΑΣ/ Τ.Α. ΒΡΙΑΝΗΣΙΩΝ
ΕΛ.ΑΣ/ Τ.Α. ΔΥΤΙΚΗΣ ΑΧΑΪΑΣ
ΕΛ.ΑΣ/ Τ.Α. ΗΛΙΟΥΠΟΛΕΩΣ
ΕΛ.ΑΣ/ Τ.Α. ΠΕΡΑΜΑΤΟΣ
ΕΛ.ΑΣ/ ΤΜΗΜΑ ΑΣΦΑΛΕΙΑΣ ΑΚΡΟΠΟΛΕΩΣ
ΕΛ.ΑΣ/ ΤΜΗΜΑ ΑΣΦΑΛΕΙΑΣ ΔΥΤΙΚΗΣ ΑΧΑΪΑΣ
ΕΛ.ΑΣ/ ΤΜΗΜΑ ΑΣΦΑΛΕΙΑΣ ΚΑΜΙΝΙΩΝ
ΕΛ.ΑΣ/ ΤΜΗΜΑ ΑΣΦΑΛΕΙΑΣ ΚΕΡΑΤΕΑΣ
ΕΛ.ΑΣ/ ΥΠΟΔ/ΝΣΗ ΑΣΦΑΛΕΙΑΣ ΑΘΗΝΩΝ
ΕΛΛΗΝΙΚΗ ΟΜΑΔΑ ΔΙΑΣΩΣΗΣ
ΕΜΠΟΡΙΚΟΣ ΣΥΛΛΟΓΟΣ ΙΛΙΟΥ
ΕΝΙΑΙΟ ΛΥΚΕΙΟ ΑΜΑΡΟΥΣΙΟΥ
ΕΠΑΓΓΕΛΜΑΤΙΚΟ ΛΥΚΕΙΟ ΚΟΡΥΔΑΛΟΥ
ΕΡΓΑΣΤΗΡΙΟ ΕΙΔΕΠΑΓ/ΚΗΣ ΕΚΠΑΙΔ.ΘΗΡΑΣ
ΕΥΑΓΓΕΛΙΚΗ ΣΧΟΛΗ ΣΜΥΡΝΗΣ
ΘΕΑΤΡΙΚΗ ΟΜΑΔΑ ΠΕΡΙΑΚΤΟΣ
Ι.Μ. ΑΓ. ΓΕΩΡΓΙΟΥ ΣΧΟΛΩΝ ΔΕΛΑΣΣΑΛ
Ι.Ν. ΥΨΩΣΕΩΣ ΤΙΜΙΟΥ ΣΤΑΥΡΟΥ ΑΝΩ ΚΥΨΕΛΗΣ
ΙΔΡΥΜΑ "ΑΣΠΡΕΣ ΠΕΤΑΛΟΥΔΕΣ"
ΙΔΡΥΜΑ ΕΞΟΧΕΣ ΕΛΛΗΝΙΚΗΣ ΑΣΤΥΝΟΜΙΑΣ
ΙΕΡΟΣ ΝΑΟΣ ΑΓ ΑΝΔΡΕΟΥ ΠΑΤΡΩΝ
ΙΕΡΟΣ ΝΑΟΣ ΑΓ ΓΕΩΡΓΙΟΥ ΚΥΝΟΣΑΡΓΟΥΣ
ΙΕΡΟΣ ΝΑΟΣ ΑΓ ΣΠΥΡΙΔΩΝ ΜΠΟΥΚΑΣ
ΙΕΡΟΣ ΝΑΟΣ ΠΑΝΑΓΙΑΣ ΓΙΑΤΡΙΣΣΑΣ
ΙΕΡΟΣ ΝΑΟΣ ΤΙΜΙΟΥ ΣΤΑΥΡΟΥ ΚΑΣΤΕΛΛΑΣ
ΙΕΡΟΣ ΝΑΟΣ ΤΙΜΙΟΥ ΣΤΑΥΡΟΥ ΠΕΙΡΑΙΩΣ
ΙΣΤΟΡΙΚΟ ΑΡΧΕΙΟ ΕΚΠΑ
ΚΑΛΛΙΤΕΧΝΙΚΟΣ ΟΡΓΑΝΙΣΜΟΣ ΠΟΝΤΙΩΝ
ΚΑΤΑΣΤΗΜΑ ΚΡΑΤΗΣΗΣ ΚΟΡΥΔΑΛΛΟΥ
ΚΕΝΤΡΟ ΥΓΕΙΑΣ ΚΙΑΤΟΥ
ΛΙΜΕΝΑΡΧΕΙΟ ΠΥΛΟΥ
ΛΥΚΕΙΟ ΠΟΡΟΥ
ΛΥΚΕΙΟ ΤΩΝ ΕΛΛΗΝΙΔΩΝ
ΜΟΥΣΙΚΟ ΓΥΜΝΑΣΙΟ ΠΤΟΛΕΜΑΙΔΟΣ
ΝΑΥΣΤΑΘΜΟΣ ΣΑΛΑΜΙΝΟΣ

\* Names have not been translated into english.



ΝΗΠΑΓΩΓΕΙΟ ΚΑΛΛΙΦΥΤΟΥ ΔΡΑΜΑΣ
ΝΗΠΑΓΩΓΕΙΟ ΚΙΤΡΟΥΣ ΠΙΕΡΙΑΣ
ΝΗΠΑΓΩΓΕΙΟ ΚΟΝΙΣΤΡΩΝ
ΝΗΠΑΓΩΓΕΙΟ ΚΟΝΤΟΒΑΖΑΙΝΑΣ
ΟΜΙΛΟΣ ΦΟΥΣΚΩΤΩΝ ΣΚΑΦΩΝ ΕΛΛΑΔΟΣ
ΠΑΝΕΥΡΩΠΑΙΚΟ ΣΩΜΑΤΕΙΟ ΑΝΑΠΗΡΩΝ
ΠΟΔΟΣΦ.ΑΘΛ.ΟΜ.ΑΛΣΟΥΠΟΛΗΣ
ΠΟΛΙΤΙΣΤΙΚΟΣ ΣΥΛΛΟΓΟΣ Η ΑΓΟΡΕΛΙΤΣΑ
ΠΡΟΟΔΕΥΤΙΚΟΣ ΣΥΛΛΟΓΟΣ ΑΓ.ΘΕΟΔΩΡΟΙ
ΠΡΟΣΩΠΙΚΟ ΛΙΜΕΝΙΚΟΥ ΣΩΜΑΤΟΣ
ΠΥΡΟΣΒΕΣΤΙΚΗ ΥΠΗΡΕΣΙΑ ΚΟΡΙΝΘΟΥ
ΠΥΡΟΣΒΕΣΤΙΚΗ ΥΠΗΡΕΣΙΑ ΠΥΡΓΟΥ
ΣΚΟΠΕΥΤΙΚΗ ΟΜΟΣΠΟΝΔΙΑ ΕΛΛΑΔΟΣ
ΣΥΛΛ. ΠΕΛΟΠ/ΣΙΩΝ ΔΗΜΟΥ ΛΑΥΡΕΩΤΙΚΗΣ
ΣΥΛΛ.ΓΟΝΕΩΝ & ΚΗΔΕΜΟΝΩΝ 3ο ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΑΛΕΞΑΝΔΡΕΙΑΣ
ΣΥΛΛ.ΕΠΙΣΤΗΜΟΝΙΚΟΥ ΠΡΟΣΩΠΙΚΟΥ ALPHA BANK
ΣΥΛΛΟΓΟΣ ΚΑΤΟΙΚΩΝ ΑΜΠΕΛΑΚΙΩΝ
ΣΥΛΛΟΓΟΣ ΠΡΟΣΩΠΙΚΟΥ ALPHA BANK
ΣΥΛΛΟΓΟΣ ΤΙΤΕΚΝΩΝ-ΠΟΛΥΤΕΚΝΩΝ
ΣΧΟΛΕΙΟ 2ΗΣ ΕΥΚΑΙΡΙΑΣ ΜΕΣΟΛΟΓΓΙΟΥ
ΣΩΜΑΤΕΙΟ Ο ΑΓ. ΠΑΝΤΕΛΕΗΜΩΝ
ΤΖΑΝΕΙΟ ΝΟΣΟΚΟΜΕΙΟ
ΥΠ.ΕΡΓΑΣΙΑΣ Κ.Π-ΚΑ-Τ.Ε.Ε.Σ.Ν.ΜΑΓΝΗΣ
ΥΠΟΔ/ΝΣΗ ΑΣΦΑΛΕΙΑΣ ΑΛΕΞΑΝΔΡ/ΠΟΛΗΣ
ΥΠΟΔΙΕΥΘΥΝΣΗ ΑΣΦΑΛΕΙΑΣ ΑΘΗΝΩΝ

The above table refers to donations of fully amortised fixed assets of the Bank with total residual value of € 24.32.

\* Names have not been translated into english.



## Availability of Annual Financial Report

The Annual Financial Report as at 31.12.2018, which includes:

- The Statement by the Members of the Board of Directors
- The Board of Directors' report
- The Explanatory Report of the Board of Directors
- The Corporate Governance Report
- The Independent Auditors' Report
- The Annual Financial Statements of the Bank and the Group

are available on the website address: <https://www.alpha.gr/en/group/investor-relations/group-results-and-reporting/financial-statements-bank-and-group?listfilter=384FFF8B82FB4C95A682BDC8E2424328>.

The Annual Financial Statements, the Independent Auditors' report and the Board of Directors' Report of consolidated companies are available on the website: <https://www.alpha.gr/el/omilos/enimerosi-ependuton/oikonomika-stoixeia/oikonomikes-katastaseis-etairion-omilou?listfilter=384FFF8B82FB4C95A682BDC8E2424328>