NATIONAL BANK OF GREECE

Group and Bank

Annual Financial Report

31 December 2019

March 2020

Table of Contents

Table of Contents

Table of Contents

Chairman's Statement

Costas P. Michaelides | Chairman of the Board of Directors

National Bank of Greece S.A. ("NBG") has made great progress during 2019 and the Board of Directors has concentrated its focus on four areas in the course of the past year.

First, the resolution of a number of critical legacy issues, many of which threatened the status of NBG as a pillar of the Greek financial system. I am pleased to report that most of these issues have now been resolved and the threats have been finally removed. The effort required to reduce these threats has been enormous and the result of this very hard work is a bank which can face the future with confidence. NBG will play a full part in making the Hellenic Republic a successful country and economy, with opportunities for every part of our economy to thrive.

The second area of Board of Directors attention has been what we call our "Transformation Programme". This programme is far reaching with the clear goal of turning NBG into a bank which stands comparison with its best competitors and not just in the Hellenic Republic. Our Transformation Programme is now well established, gains increasing momentum, and is supported by a well-designed mechanism that monitors and tracks both benefits and risks. It aims to change our Bank's business and operating models and is surely and steadily turning NBG into an organisation that seeks to do its utmost for the success and wellbeing for its customers and indeed for all its stakeholders. The Transformation Programme is explained in further detail within this Annual Report. We know there are still many further achievements required before we will be satisfied with our efforts to transform the Bank. However, I share with my Board colleagues a great deal of satisfaction in witnessing the progress thus far and the clear evidence of future achievements almost within our grasp.

The third area of focus targets the importance we place in our people's leadership and development to face more confidently and competently the challenges and the opportunities in the years ahead. The executive team has several newly appointed members and they are all energised, enthusiastic, and determined to reposition and restructure the Bank to its key role in the Greek banking sector and the country's economy. We are also redefining the contract of work with our employees and we are emphasising initiative, creativity, and contribution in the assessment and promotability of our people. Our aim is to maintain the traditional value of teamwork and also focus on merits and contribution in the ways we recognise our people's performance and potential.

The fourth area of the Board of Director's activity is our hands on efforts to redefine the Bank's values, purpose, and culture in more current and updated ways. We respect the past and we aim to enhance our valuable inheritance with more modern concepts of what it takes to be a more client focused, nimble, and successful bank at the European level. As part of our inheritance, we also worked hard to maintain our key role in society and in the economy through our programs of Corporate and Social responsibility.

At the time of writing this statement, the Coronavirus ("COVID-19") has had a devastating effect on life all around the world and of course here in the Hellenic Republic. After ten years of economic crisis and at a time that normalcy started to return with restart of investments, reductions in the non performing loans, rising Gross Domestic Product growth, and a more promising business climate, the global crisis created an abrupt end to economic activity and reversed the country's growth prospects. The uncertainty of the depth and the duration of the current pause requires thought leadership that can move the Bank ahead of the curve and learn quickly to calibrate and rebalance urgent priorities. It is difficult to foresee what the future might bring and we are called to manage the upcoming months by understanding and targeting scenarios of potential outcomes.

In this difficult environment, our Chief Executive Officer Pavlos Mylonas, his dynamic management team, and all colleagues in NBG have been working hard to ensure that we continue to transform the Bank and provide all the services which our customers rely upon. Pavlos Mylonas and his team have succeeded in ensuring that NBG remains open for business and dedicated to helping customers with their everyday financial needs.

The Board of Directors of NBG is determined to make sure that NBG helps our customers, our employees, and our country overcome this most difficult challenge. I would like to thank you, our shareholders, for your continued support. With a successful conclusion to the work of our Transformation Programme, now well under way, we are confident that NBG will once again present an attractive investment opportunity for our shareholders.

Athens, 31 March 2020

Costas P. Michaelides

Chairman of the Board of Directors, NBG

Chief Executive Officer's Statement

Pavlos K. Mylonas | Chief Executive Officer

NBG achieved a major turnaround in 2019, led by a dynamic new management team committed to effect change. Indeed, 2019 was the first full year of implementation of the Transformation Program, whose ambitious goals are to address the legacy issues of the bank, as well as the challenges focusing the banking sector overall. Our strategic priorities are clear:

(i) resolving the asset quality issues,

(ii) improving cost efficiency,

(iii) boosting revenue generation, and

(iv) moving quickly forward to adapt technology and people processes that will make us more agile.

The goal is to become a clean, modern and profitable bank by 2022 and the Greek bank of choice.

At the Investor Day in May, we presented a four-year business plan (2019-2022) which aimed to reduce Non Performing Exposures ("NPEs") to below 5% and raise profitability from a break even base so as to achieve a Return on Equity ("RoE") of c.11% at the end of the business plan period. It would leverage NBG's significant comparative advantages, most importantly it's large and stable client base, and strong brand as the most trusted bank in Greece. The balance sheet comprises (i) ample liquidity including significant market share in stable and low-cost savings deposits, (ii) Liquidity Coverage Ratio ("LCR") and Net Stable Funding Ratio ("NSFR") well above the regulatory requirements, and (iii) a contained NPE exposure combining with a high provision coverage ratio on NPEs, which provides flexibility in constructing the NPE reduction strategy. Implementation of the action plan – designed during H2.2018 – is being undertaken by a unique delivery engine in the form of the Transformation Program, with clear accountability and strong execution discipline.

The results of 2019 are testament to the success of the Transformation Program. Regarding NPEs, NBG successfully executed the first phase of its strategy. Indeed, through a series of sales transactions, as well as a revamped organic strategy including through the attractive "split and settle" flagship mortgage restructuring product, NPEs were reduced by c. 1/3 (€5.3 billion).

On the Profit and Loss ("P&L") side, NBG expanded its core operating profitability by c. 40% year-over-year ("y-o-y") through higher Net Interest Income ("NII") and Fees and Commission income, succeeding at the same time to compress both personnel and General and Administrative ("G&A") costs by c. 9% y-o-y respectively. Personnel cost reduction was the result of a large scale Voluntary Exit Scheme ("VES") comprising 1,100 Full Time Employees ("FTEs"). Indeed, since mid-2018 domestic headcount has been reduced by c.17%.

The transformation effort completed significant changes to the Bank's operating model, most notably with respect to the centralization of corporate back and mid office, the enhancement of the corporate service model, the implementation of cross sell segment and product strategies in retail, the rationalisation of the branch network, and the migration of customers to digital channels, including the introduction of digital customer on-boarding and four-bank account and transaction aggregator ("WAIZ") – the latter two being firsts for the Greek banking sector. Significant progress was also achieved as regards the value based management framework as well as the system of internal controls. Finally, the Human Resources framework is in the process of being modernized so as to increase staff motivation and thus performance, while a cultural transformation and change management program is ongoing.

During 2019 NBG managed to address successfully several critical issues that allowed it to clean up its balance sheet and increase its profitability. First, it concluded an extension of its restructuring plan with the Directorate General for the Competition of the European Commission, in which it replaced its commitment to sell Stopanska Banka in Northern Macedonia with the sale of its minority stake in NBG Pangaea REIC (currently "Prodea"), thus keeping this profitable subsidiary within the Group. Second, NBG exchanged the interest rate swap ("IRS") contract with the Hellenic Republic with Greek government bonds ("GGB's") of €3.3 billon with a yield of 3.6%, boosting its organic profitability. Third, it switched from the Internal Ratings-based approach ("IRB") methodology for assessing capital charges on Risk Weighted Assets ("RWAs") to the standardized approach so as to increase the flexibility of its NPE strategy. Fourth, NBG successfully negotiated the transfer of its auxiliary pension fund ("LEPETE") to the public sector pension fund in exchange for a contribution of the order of €35-40 million per annum. Fifth, it locked in capital gains of €0.8 billion in early 2020 which provide NBG a large capital cushion with a view to accelerating its NPE reduction plan through a large securitization for >€6 billion ("Project Frontier").

The advent of COVID-19 crisis in early 2020 clearly will require a change of priorities in the short run. However, the efforts of the team in 2019 provide NBG with solid foundations to execute the needed adjustments. Indeed, over the critical past several weeks, NBG has proven that it can act quickly to: i) create a functional new "work from home" operating model, able to protect the health of its people; ii) adapt processes to "remote access" functionality for our employees and clients, including improvements in our digital offering, while minimizing operational risk, including cyber risk; and iii) participate in the establishment of actions to meet the immediate needs of clients (e.g., as regards appropriate payment holidays and new government guaranteed working capital facilities). Today, NBG is operationally and psychologically ready to succeed in this rapidly changing new world.

Key to NBG's success will be a strong balance sheet, a flexible and efficient strategy, as well as effective and empathetic leadership from the management team, working closely with the Board of Directors. In this regard, NBG's existing comparative advantages, combined with the change infrastructure developed for its transformation effort, provide a significant edge.

First, regarding liquidity, NBG can withstand adverse developments in markets due to a combination of a solid cash buffer and its extremely low recourse to the repo market, as well as its small held to collect and sell ("HTCS") portfolio. Second, NBG's capital ratio currently stands at c.18.5%, at a time when regulatory limits have been reduced significantly. Third, a strong new management team leveraging off a strong Transformation Program has been successfully changing the Bank, improving significantly its efficiency and profitability, as the FY19 financial results reveal. This team has a proven track record in implementing effective change -- a critical asset in today's environment.

At present, visibility as regards the future is extremely limited. However, what I can promise is that NBG will be close to its clients and will do everything it can possibly do to implement efficiently the new policies and solutions approved by national and European authorities to ease the impact from the unprecedented shutdown of large swathes of the economy. Moreover, NBG's transformation will not stop. In response to COVID-19 we are redirecting our Transformation Program, to accelerate changes to our operating model, especially digitalization, so as to improve the services we offer to both corporate and retail clients, as well as to achieve additional cost savings from a transformed workplace. In addition, NBG will be ready to launch it's larger than initially envisaged NPE securitization (>€6 billon) as soon as market conditions permit.

In conclusion, I have no doubt that in this extremely difficult period NBG will live up to its history and play a critical role in supporting the economy and the society through these testing times.

Athens, 31 March 2020

Pavlos K. Mylonas
Chief Executive Officer, NBG

Certification by the Chairman of the Board of Directors, the Chief Executive Officer and the Board of Directors member pursuant to Article 4 of Greek Law 3556/2007

We, the members of the Board of Directors of National Bank of Greece S.A. certify that to the best of our knowledge:

(1) The annual financial statements for the period ended 31 December 2019 have been prepared in accordance with the applicable accounting standards and present a true and fair view of the assets, liabilities, equity and results of operations of the Bank and of the companies included in the consolidation.

(2) The Board of Directors Report for the period ended 31 December 2019 fairly presents the evolution, the performance and the position of the Bank and of the companies included in the consolidation, including the description of the main risks and uncertainties they face.

Athens, 31 March 2020

THE CHAIRMAN OF THE BOARD OF DIRECTORS	THE CHIEF EXECUTIVE OFFICER	THE BOD MEMBER
COSTAS P. MICHAELIDES	PAUL K. MYLONAS	ANDREW J. MCINTYRE

NATIONAL BANK OF GREECE

Board of Directors Report

2019

for the year ended 31 December 2019

Highlights

Our vision is to become the bank of first choice for customers, talent and investors. A trustworthy, human, responsive bank, that acts as a growth catalyst and unlocks potential for households, businesses and communities.

Strategic priorities for 2020-2022

1. Healthy Balance Sheet

"We accelerate the clean - up of our non-performing assets, further strengthening our Balance Sheet"

2. Efficiency & Agility

"We eliminate operational inefficiencies and tightly manage spend, improving profitability in a sustainable manner"

3. Best Bank for our Clients

"We deepen trust-based relationships with our customers, addressing their needs through our physical and digital channels"

4. Technology & Processes

We enhance all aspects of our technological infrastructure and core processes, enabling our commercial and efficiency objectives"

5. People, Organisation & Governance

"We revamp our structure, our governance framework and our HR platform, building a modern and flexible organisation"

6. Visibility, Controls & Compliance

"We create a modern, robust and comprehensive framework for risk management, internal controls and compliance"

About NBG's Transformation Program

NBG's Transformation Program capitalises on our strengths and addresses our key challenges to ensure we successfully implement our strategy and achieve our financial and operational targets.

6 Workstreams
mapped to our strategic priorities for 2020-2022

30+ initiatives
driving sustainable changes in line with our Business Plan

800+ colleagues
actively involved in the transformation program

2019 Group Financial Results

2019 was a pivotal year for NBG, with solid profitability improvement, capital enhancement and rigorous clean-up of NPEs

Group profit for the period from continuing operations *(excluding non recurring cost)*

€483 million for the period ended 31 December 2019 (31 December 2018: €65 million)

Strong liquidity profile

Domestic deposits at €42.2 billion, Liquidity Coverage Ratio ("LCR") and Net Stable Funding Ratio ("NSFR") comfortably above regulatory requirements and Eurosystem funding at €2.2 billion

Non-Performing Exposures ("NPEs") reduction

Bank NPE reduction of €4.7 billion year-over-year ("y-o-y") exceeds the FY19 NPE target by €0.5 billion

Common Equity Tier 1 ratio ("CET1")

The Group's CET1 and Total Capital ratios at 31 December 2019 were 16.0% and 16.9%, respectively exceeding the Overall Capital Requirement ("OCR") ratios of 13.75% and 14.0% for 2019 and 2020, respectively

Awards

Selected awards & recognitions

- **"Best Corporate Governance" award from Capital Finance International ("CFI")**
- **Business Awards "CHRIMA 2019"**
- **CR INDEX 2018-2019 award**
- **"Business IT Excellence Awards 2019"**
- **"Mobile Excellence Awards 2019"**
- **ISO certifications from TÜV AUSTRIA Hellas organization, for:**
  - the Compliance Management System, per ISO 19600: 2014; and
  - the Corporate Social Responsibility ("CSR"), per ISO 26000: 2010.
- **Euromoney Trade Finance Survey 2020:**
  Two awards: Market Leader and Best Service in Greece.

Key achievements and significant developments of NBG Group in 2019

Large scale Transformation Program

Building upon its long-lasting tradition of trust and service to society, the National Bank of Greece ("NBG" or the "Bank") embarked on a large-scale Transformation Program (see section "*Transformation Program*") in the second half of 2018 to transform the Bank, responding to the challenges and tapping the business opportunities presented by the rapidly changing economic and banking landscape.

The Transformation Program identified the strategic areas that leverage our strengths and address our weaknesses, so as to unlock the Bank's substantial untapped profitability potential, though six discrete workstreams, 30+ initiatives and 100+ sub-initiatives, involving more than 800+ executives and employees of the Bank.

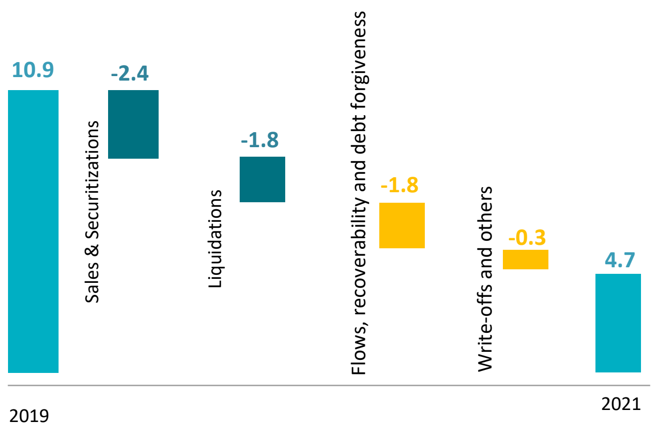
The Bank's new strategy, including key drivers and the resulting ambitious set of financial and business targets up to 2022, along with the new management team, was presented to the investment community in London on 16 May 2019. NBG's Investor Day was highly successful, bringing together c. 120 investors in London, constituting the first such event of a Greek Bank for more than 10 years. The Investor Day Presentation is posted on the Bank's website www.nbg.gr/en/the-group/investor-relations/financial-information/presentations).

Successful execution of Bank's NPE reduction strategy delivers balance sheet strength

In the four years from December 2015 to December 2019, the Bank achieved a decrease of €11.0 billion of the NPE stock through a combination of organic and inorganic actions. Similarly, the NPE ratio dropped from 48.8% to 31.7%. In 2019, the NPE reduction continued, with a decrease of NPEs on Group level by €5.3 billion (€4.7 billion for the Bank), mainly attributed to inorganic actions of €3.9 billion (Projects Symbol, Mirror and Shipping loan portfolio sale; these transactions were completed in the year and are further detailed below). Organic actions led to a decrease of €1.4 billion, mainly through restructurings/debt forgiveness and liquidations.

Inorganic actions being front-loaded have been the driver for a €0.9 billion outperformance in the context of the NPE annual reduction targets, which were committed to the Single Supervisory Mechanism ("SSM") in March 2019.

NPE REDUCTION TARGET FOR 2019-2021 (GROUP, € billion)



The annual revision of NPE operational targets and submission to SSM (regularly due in March) has been postponed by European Central Bank ("ECB") due to the Coronavirus ("COVID-19") pandemic crisis; the above chart reflects the latest, officially approved targets for the period 2019-2021.

Disposal of NPE portfolios

As part of the implementation of the NBG Transformation Program the Bank has completed the disposal of three portfolios consisting of non-performing exposures.

In particular, on 29 July 2019, the Bank announced that it has entered into a definite agreement with a consortium of funds (the "Consortium") advised by affiliates of Centerbridge Partners, LLP and funds advised by Elliott Advisors (UK) Limited for the disposal of a portfolio of 12,774 secured non-performing Small Business Lending and Small & Medium Enterprises loans (8,306 properties distributed across Greece) with total principal amount of €0.9 billion (Project Symbol). The transaction was completed on 9 December 2019 and the Consortium assigned the servicing of the portfolio to Cepal Hellas Financial Services S.A., which has been licensed by the Bank of Greece under Greek Law 4354/2015. The consideration of the transaction was equivalent to 28.3% of the principal amount of the portfolio and was capital accretive to NBG (based on the third quarter of 2019 CET1 ratio). This transaction was implemented in the context of NBG's NPE Strategy and Operational Targets, as submitted to the SSM (see above "*NPE reduction targets*").

Furthermore, on 1 August 2019, the Bank announced that it had entered into a definitive agreement with CarVal Investors, for the disposal of a portfolio of unsecured non-performing portfolio of credit cards, consumer loans, small business loans ("SBL") and SME with total principal amount of €1.2 billion (Project Mirror). The transaction completed on 18 November 2019 and the servicing of the portfolio was assigned, by the investor, to QQuant Master Servicer S.A. which has been licensed and is regulated by the Bank of Greece under Greek Law 4354/2015. The consideration of the transaction amounted to more than 9.1% of the principal portfolio amount and was capital accretive to NBG. This transaction was implemented in the context of NBG's NPE Strategy and Operational Targets, as submitted to the SSM (see above "*NPE reduction targets*").

Finally, on 27 November 2019, the Bank announced that it had entered into sale and purchase agreements with certain funds advised by Cross Ocean Partners (the "Investors"), for the sale of a shipping loan portfolio of €262 million. The transaction was completed on 13 December 2019 and the Investors assigned the servicing of the above portfolio to QQuant Master Servicer S.A which has been licensed by the Bank of Greece under Greek Law 4354/2015. The consideration of the transaction was 49.5% of the portfolio's on balance-sheet amount (cut-off date 30 June 2019) and had a marginal impact on NBG Group's capital (based on the third quarter of 2019 CET 1 ratio).

All transactions above are being implemented in the context of NBG's NPE reduction Strategy.

Other NPEs disposal

Additionally, the Group is in process of the disposals of Romanian risk secured and unsecured loans and advances to customers (project Danube) with net book value of €49 million. The Bank expects that this sale will be completed in the third quarter 2020.

Divestments

Completed disposals of subsidiaries under 2019 Revised Restructuring Plan commitments

Sale of NBG Pangaea REIC

On 29 March 2019, the Bank received from Invel Real Estate (Netherlands) II B.V. ("Invel") a call Option Exercise Notice to acquire NBG's shareholding to NBG Pangaea REIC ("Pangaea"), pursuant to the Shareholders Agreement entered into between NBG, Invel, Invel Real Estate Partners Greece L.P, Invel Real Estate Partners Greece SAS, Invel Real Estate Partners Two Limited and Pangaea. According to the relevant terms of the Shareholders Agreement, the entities nominated by Invel, namely "Invel Real Estate B.V." and CL Hermes Opportunities L.P., shall acquire NBG's Shareholding by 30 May 2019 at call option price (€4.684 per share). This transaction was concluded on 23 May 2019 and the total amount received for NBG's Shareholding (comprising 83,438,113 shares of Pangaea) amounted to €391 million.

Despite the Shareholders' Agreement term expiring on 31 March 2019, NBG retained control of Pangaea (according to applicable legal and contractual provisions) until the date of the consummation of the acquisition of NBG's shareholding and relevant competent Pangaea's corporate bodies resolutions.

The impact from the completion of the transaction on the Group's CET 1 ratio was 43 basis points ("bps"), which was offset by the impact of the application of International Financial Reporting Standard ("IFRS") 16 Leases on the lease contracts between NBG and Pangaea, resulting in net impact of -8bps.

Sale of Banca Romaneasca S.A.

On 20 June 2019, a Share Sale and Purchase Agreement (the "SPA") was signed between NBG and Banca de Export-Import a Romaniei EximBank S.A. (the "EximBank"), for 371,624,509 shares comprising 99.28% of the issued share capital of Banca Romaneasca ("the Romaneasca").

On 30 December 2019 the Bank lost control of Romaneasca and proceeded with the derecognition of its assets and liabilities, due to the fact that at that date were fulfilled all the conditions agreed between NBG and EximBank. The consideration less costs to sell amounted to €55 million and the amount was settled on 23 January 2020.

Planned disposals of subsidiaries under 2019 Revised Restructuring Plan commitments

National Bank of Greece – Egyptian Branch Network

The divestment of NBG's Branch Network in Egypt ("NBG Egypt") is an obligation of the Bank under its 2019 Revised Restructuring Plan. On 31 January 2018, the Board of Directors of the Bank resolved to apply to the Central Bank of Egypt in order to commence the sales process, as per the local regulatory requirement and the application was finally submitted in March 2018. The approval to commence the sales process was granted in July 2018 and the sales process was launched in October 2018.

On 2 May 2019, the Bank signed a definitive agreement to sell certain assets and liabilities of NBG Egypt to Bank Audi S.A.E. ("Bank Audi Egypt"). Closing of the Egypt transaction is subject to the approval of the Central Bank of Egypt ("CBE"). Given that the CBE approval was still pending six months after the signing of the definitive agreement, Bank Audi SAE issued an agreement termination notice in November 2019.

NBG and Bank Audi SAE are in discussions to examine ways to complete the transaction. NBG Egypt has been classified as held for sale and discontinued operations.

National Bank of Greece (Cyprus) Ltd

On 26 November 2019, the Bank signed a definitive agreement with AstroBank Limited for the sale of its 100.00% stake in National Bank of Greece (Cyprus) Ltd ("NBG Cyprus"). Closing of the transaction is subject to approval from the Central Bank of Cyprus and the Commission for the Protection of Competition in Cyprus and is currently expected to be concluded by the end of the first half of 2020. NBG Cyprus has been classified as held for sale and discontinued operations.

The divestment of NBG Cyprus is an obligation of the Bank under its 2019 Revised Restructuring Plan (see below "*2019 Revised Restructuring Plan*").

Sale of a majority equity holding in Ethniki Hellenic General Insurance S.A. ("Ethniki Insurance" or "NIC")

The Bank relaunched NIC's sales process in October 2019. The Bank has received binding offers and at this time is in the process of evaluating them. NIC has been classified as held for sale and discontinued operations.

Other divestments

Sale of Grand Hotel Summer Palace S.A.

On 18 October 2018, the Bank announced the opening of the sale process of its total shareholding in its 100% subsidiary Grand Hotel Summer Pallas S.A. ("Grand Hotel") through an open auction with sealed bids on 10 December 2018. Upon completion of the aforementioned process the Bank on 14 January 2019 entered into a sale agreement with the highest bidder, Mitsis Company S.A., to dispose of its 100% stake in Grand Hotel. The agreed consideration for the sale amounted to €50 million.

The disposal was completed on 5 April 2019 and control of Grand Hotel passed to Mitsis Company S.A.

Planned divestment of CAC Coral Ltd

The divestment of CAC Coral Ltd was launched in December 2019, while signing of the transaction documents is expected to occur in the second quarter of 2020. Therefore, as of 31 December 2019, CAC Coral Ltd has been classified as held for sale and discontinued operations.

Financial highlights

Exchange of interest rate swap ("IRS") contract with the Hellenic Republic with Greek government bonds

On 15 February 2019, the Bank announced that the Hellenic Republic and NBG have agreed to cancel the IRS contract of 31 December 2008, whose initial nominal value was €5,500,000,000. This instrument was replaced with Greek government bonds maturing 2023, 2025 and 2026 with a total nominal value of €3,314,250,000, which was the value of the IRS on NBG's Statement of Financial Position at the transaction date (excluding the Credit Valuation Adjustment).

NBG recognised a gain of €46 million from the transaction in the first quarter of 2019, which included the release of the Credit Valuation Adjustment ("CVA") on the Swap with the Hellenic Republic and the allowance for expected credit losses on the Greek government bonds acquired. Furthermore, the Bank recognised annual interest income of €113 million from the Greek government bonds, while eliminating the need to hedge the IRS (together with the substantial associated cost). It also simplified the Bank's asset structure, securing a reduction in funding costs, and further enhancing the Liquidity Coverage Ratio ("LCR").

This transaction was part of NBG's strategic plan that aims at the effective leverage of the Bank's strong liquidity, and significant strengthening of the Group's net interest income and profitability.

On 21 January 2020, the Bank exchanged the above three Greek government bonds with a new Greek Government Bond (see "*Economic and financial review- Subsequent events - Exchange of Greek government bonds*").

Enhanced liquidity profile facilitating NBG's credit expansion plans

NBG's dependence on Eurosystem funding at 31 December 2019 was €2.2 billion and remained unchanged from 31 December 2018 (compared to its peak of €27.6 billion in the second quarter of 2015). This funding is comprised of Targeted Long-term Refinancing Operations ("TLTROs") funding from the ECB, with the Bank as of 31 December 2019 enjoying a large liquidity buffer.

Group LCR has exceeded the minimum regulatory requirement of 100% since July 2018, reaching a level of 207.3% –as at 31 December 2019. Group Net Stable Funding Ratio ("NSFR") also exceeded the regulatory threshold of 100% for the first time in September 2018, settling at 115.3% as at 31 December 2019. The Bank's enhanced liquidity profile facilitates ambitious credit expansion plans.

Increased operating profitability and a contained Cost of Risk

Operating profit increased to €473 million in 2019 from €100 million in 2018, aided by both organic and trading results, namely solid core income growth of 6.4% y-o-y, solid trading and other income aided by large one-off gains, strong cost cutting despite the impact of IFRS16 adoption and low Cost of Risk ("CoR") despite facilitating an aggressive clean-up of the NPE book throughout the year.

Cost cutting through Voluntary exit scheme as a key transformation lever towards an efficient and agile organization

Group operating expenses for the year ended 31 December 2019 decreased by 4.4% y-o-y due to lower personnel expenses by €48 million mainly due to the effect of Voluntary Exit Scheme ("VES"). General & Administrative ("G&A") expenses also decreased by €44 million mainly due to rentals being replaced with interest expense and depreciation following the application of IFRS 16 and lower promotion, advertising, maintenance and consulting expenses. The above were partially offset by the increase in depreciation of €53 million due to the application of IFRS 16 and the disposal of Pangaea.

As part of the implementation of the Transformation Program (see below section "*Transformation Program*") during 2019 and in the context of the on-going VES initiated in May 2019, 836 and 814 employees for the Group and the Bank, respectively, participated in the scheme. Furthermore, in 2020 and up to 10 February 2020 (the expiry date of the scheme) 270 employees of the Bank participated in the VES.

Receivables from withholding taxes on bonds and treasury bills

On 29 March 2019, an amendment was passed through Greek Law 4605/2019 (article 93, para. 1 & 2) regarding Corporate Income Tax legislation, clarifying the status of withholding tax receivables of banks. Specifically, (a) taxes of €41 million, withheld in accordance with the provisions of para. 8 of article 12 of Greek Law 2238/1994, are offset as a priority when income tax is incurred and to the extent that income tax is sufficient for the purposes of the above set-off, (b) withholding taxes of €162 million, which are subject to the provisions of para. 6 of Article 3 of Greek Law 4046/2012 and not offset within five years, are offset in equal instalments within 10 years with any tax liabilities of banks, starting from 1 January 2020.

Issuance of debt securities

On 18 July 2019, the Bank completed a public issuance of a Tier II capital note, totalling €400 million. The note has a 10-year maturity with right to early redemption by the issuer on the completion of 5 years. The annual interest rate for the first 5 years is set at 8.25%. If the right to early redemption is not exercised, the annual interest rate for the remaining 5-year period will be reset to a fixed rate equal to the 5-year mid-swap rate prevailing at the time plus 846.4 basis points.

This issuance is an integral part of NBG's strategy, as presented in London on 16 May 2019 during the NBG Investor Day. It enhances the capital structure through the introduction of supplementary non-dilutive capital and provides room for capital accretive allocation of NBG's large liquidity pool. It is also a first step in the Bank's Minimum Requirement for Own Funds and Eligible Liabilities ("MREL") strategy, opening the door to eventual senior bond issuance.

Adoption of International Financial Reporting Standard ("IFRS") 16 Leases as of 1 January 2019

The Group analysed the impact of IFRS 16 in a Group-wide project, including existing processes, controls, systems, data and contracts and established an IFRS 16 Implementation Program ("the IFRS 16 Program") to ensure a timely and high-quality implementation, in accordance with the requirements of IFRS 16. The IFRS 16 Program involved Finance, Real Estate Management, Procurement, Digital Channels, Global Markets and IT Divisions of the Bank and was overseen by a Project Steering Committee. The Committee comprised of the Group Chief Financial Officer ("CFO") (Chair), the Group Chief Information Officer ("CIO") and the General Managers of Real Estate Management and International Activities Divisions of the Bank. A full - time Project Management Office ("PMO") was set up and a Project Manager assigned. The Board Audit Committee was updated by the Executive Management on the status of the IFRS 16 Program, as well as the accounting estimates and policies applied.

The adoption of IFRS 16 on 1 January 2019, increased the assets, liabilities and retained earnings of the Group by €136 million, €132 million and €4 million, respectively, and of the Bank by €1,142 million, €1,138 million and €4 million, respectively. The reported impact on the Group's assets and liabilities includes an amount of €29 million attributable to entities classified as held for sale and discontinued operations, which has been recognized within line items 'non-current assets held for sale' and 'liabilities associated with non-current assets held for sale'. In relation to the impact on regulatory capital, the Group and the Bank's CET1 ratio decreased by 5 bps and 56 bps, respectively.

Following the disposal of NBG Pangaea REIC in the second quarter of 2019 (see above "*Sale of NBG Pangaea REIC*"), the Group recognised additional Right of Use assets and lease liabilities of €1,286 million and €1,283 million, respectively.

NBG Auxiliary Pension Plan

On 10 June 2019 a legislative amendment (Greek Law 4618/2019 art.24) was enacted effectively transferring Bank employees and pensioners from LEPETE to Unified Fund for Auxiliary Insurance and Lump Sum Benefits ("ETEAEP"), the state auxiliary pension plan. The legislative amendment stipulated, inter alia, that the Bank should cover the following costs:

a) the normal employer's contributions for the employees transferred to ETEAEP, from 1 January 2019 and onwards. The applicable rates are 3.50% from 1 January to 31 May 2019, 3.25% from 1 June 2019 to 31 May 2022 and 3.00% from 1 June 2022 and onwards;

b) a retrospective payment in relation to the 2018 pensions to be calculated on the basis provided by Greek Law 4618/2019. This amount has been estimated by the Bank at €50 million. The Greek Law 4618/2019 provides that the 1/5 of the total amount was payable by 31 August 2019 whereas the remaining amount is due in instalments and at the latest by 31 December 2020;

c) supplementary social security contributions of €40 million per annum from 2019 to 2023;

d) supplementary employer's contributions from 1 January 2024 onwards to be defined following a study to be prepared by the Greek National Actuarial Authority. The Bank cannot provide a reasonable estimate of the related costs, as Greek Law 4618/2019 does not provide the basis under which the relevant study would be carried out, nor the required clarity as to the extent that any shortfalls would be covered by the Bank; and

e) the normal employees' contributions for the period from 1 January to 31 May 2019, only.

Further to this legislative amendment and related Ministerial Decision 28153/276/21.6.2019, on 5 July 2019, the Bank addressed a statement to ETEAEP informing it that it will continue to pay to ETEAEP, as from 1 June 2019 onwards, the corresponding, in accordance with the applicable provisions, auxiliary pension employer's and employee's contributions with regard to the persons (employees) who had been insured by LEPETE up to the enactment of the aforementioned legislative amendment. The Bank also pointed out that any private relationship between the Bank and LEPETE has been terminated and thus no payment of any kind will be made in future.

On 2 July 2019 and 29 November 2019, the Bank paid amounts of €36 million and €4 million, respectively, with respect to the supplementary contribution for 2019 and on 3 February 2020 the Bank paid €20 million as the first instalment of the supplementary social security contributions for 2020, as required by the ministerial decision (see (c) above).

On 19 March 2020, a legislative amendment (article 63, Law 4680/2020) on article 24 of Greek Law 4618/2020 was passed ("the amendment"), changing the previous status described above. According to the amendment, the employees insured with LEPETE were transferred to the former ETEAEP and are now governed by the legislation of the Auxiliary Insurance Plan of Single Social Security Entity ("e-EFKA"). As a result, Bank is liable for normal employer's contributions described in item (a) above. The Bank is also obligated to pay an additional social security contribution to the Auxiliary Insurance Plan of e-EFKA for the years 2018 to 2032, amounting to 12.0% per annum of the gross salaries of employees with any employment relationship with the Bank on 31 December of each respective year. These additional annual contributions from the Bank shall be payable for the year 2018 until 30 June 2020 and for the remaining years by the last business day of the first quarter of each following year. The additional contribution for the years 2019 and 2020 is offset by the additional contribution paid by the Bank to the former ETEAEP pursuant to Article 24 of Greek Law 4618/2019, as in force prior to its replacement herein. With the payment of the above additional social security contributions the obligation of the Bank to the Auxiliary Insurance Plan of e-EFKA as well as to any other third party is exhausted.

The Bank estimates that the additional social security contribution for the years 2018-2019 is approximately €90 million and has recognized an equal amount in personnel expenses. €60 million already paid in July and November 2019 and in February 2020, according to the previous Law, will be offset against the final contribution for the years 2019-2020. The Bank has assessed, on the basis of actuarial studies, that the incremental costs from the additional contributions to be paid to e-EFKA in years 2020 to 2032 are linked to the economic benefit to arise for the Bank from the future service of the employees that were transferred to ETEAEP under Greek Law 4618/2019.

2019 Revised Restructuring Plan

The Group is subject to European Commission rules on European Union ("EU") State aid in light of the aid received from the Hellenic Financial Stability Fund ("HFSF") and the Hellenic Republic. These rules are administered by the Directorate General for the Competition of the European Commission (the "DG Competition"). Under these rules, the Bank's operations are monitored and limited to the operations included in the 2019 Revised Restructuring Plan, which aims to ensure the Bank's return to long term viability. The 2019 Revised Restructuring Plan was approved on 10 May 2019 by the European Commission.

The 2019 Revised Restructuring Plan includes a number of commitments to implement certain measures and actions that have to be completed during the period 2019-2020 (the "2019 Revised Restructuring Plan Commitments"). The 2019 Revised Restructuring Plan Commitments relate both to domestic and foreign operations of the Group. Differentiations to the 2015 Restructuring Plan which expired on 31 December 2018 relate to the deepening of the Bank's operational restructuring, some amendments on the commitments and deadlines, as well as a commitment to sell the remaining stake (32.66%) in Pangaea in substitution for the commitment to dispose of Stopanska Banka A.D.-Skopje.

For domestic operations, the 2019 Revised Restructuring Plan Commitments relate to constraining operating expenses, including the number of personnel and branches. In particular, the Commitments include the following:

A further reduction of the number of branches in Greece to 420 (by the end of 2019) and 390 (by the end of 2020). As at 31 December 2019, the Bank had reduced its branches to 390.

A further reduction of the number of employees in Greece to 8,600 as at 31 December 2019 and 8,000 as at 31 December 2020. As at 31 December 2019, the Bank had reduced the number of employees at domestic level to 8,468[1].

A further reduction of total operating costs in Greece to €845 million as at 31 December 2019 and €800 million as at 31 December 2020. As at 31 December 2019 such costs (excluding LEPETE) amounted to €822[1] million.

Divestment of domestic non-banking activities: The Bank will divest from certain domestic non-banking activities. Under the 2019 Revised Restructuring Plan, the Bank must dispose at least 80% of NIC. See above *"Sale of a majority equity holding in Ethniki Hellenic General Insurance S.A."* for a description of the status of this Commitment. Furthermore, in line with the 2019 Revised Restructuring Plan, in May 2019 the Bank completed the sale of its remaining stake in Pangaea (see above *"Sale of NBG Pangaea REIC"*).

Divestment from international operations: The Bank reduced its international activities, by disposing of certain subsidiaries in the years 2016 - 2018. On 23 January 2020, the Bank completed the sale of 99.28% of Romaneasca to EximBank see above "*Delivery of 2019 Revised Restructuring Plan commitments - Completed disposals of subsidiaries*".

The incomplete divestments relate to the branch network in Egypt and in subsidiary NBG Cyprus, see above "*Delivery of 2019 Revised Restructuring Plan commitments - Planned disposals of subsidiaries*".

Lastly, the 2019 Revised Restructuring Plan provides for prolongation of the 2015 Restructuring Plan's Commitments on corporate governance, commercial operations, acquisitions and advertising.

The implementation of the 2019 Revised Restructuring Plan Commitments is monitored by the Monitoring Trustee.

Regulatory developments

Single Supervisory Mechanism ("SSM") On-site inspection – Mortgage Portfolio

During the period September 2018 till May 2019, the SSM performed an On-site Inspection with the purpose of assessing NBG's Mortgage Portfolio through a Credit Quality Review. The On-site inspection was carried out according to the supervisory examination program adopted by the ECB. Following the receipt of the supervisory expectations to address issues identified during the on-site inspection in December 2019, the Bank has adopted the necessary measures that jointly with the combined improved quality of the Residential Real Estate portfolio since 31 December 2017 (On-site inspection's reference date) fully address the additional provisions' requirements.

ECB Sensitivity analysis of Liquidity Risk – Stress Test 2019 ("LiST")

Since February 2019, the four Greek Systemic Banks have been subject to a LiST exercise carried out by the ECB. The exercise was performed according to the methodology, scenarios and templates developed by the ECB. The LiST for the four Greek Banks was finalized October 2019 and the Bank successfully completed the exercise.

The results of the LiST 2019 exercise were taken into account in the 2019 Supervisory Review and Evaluation Processes ("SREP") assessment.

2020 EU-wide Stress Test

On 31 January 2020 the European Banking Authority (EBA) launched the 2020 EU-wide stress test, which will be conducted on a sample of 51 EU banks. Similar to the 2018 exercise, it is a bottom-up exercise with constraints, including a static balance sheet assumption. The aim of the EU-wide stress test is to assess the resilience of EU banks to a common set of adverse economic developments in order to identify potential risks, inform supervisory decisions and increase market discipline.

However, in the light of the operational pressure on banks due to COVID-19, on 12 March 2020 the EBA announced its decision to postpone the EU-wide stress test exercise to 2021, in order to allow banks to focus on and ensure continuity of their core operations.

Measures in reaction to COVID-19

ECB Banking Supervision measures:

a. **Temporary capital and operational relief**

On 12 March 2020, the ECB announced a number of measures to ensure that its directly supervised banks can continue to fulfil their role in funding the real economy as the economic effects of the COVID-19 become apparent.

In this context, the ECB will allow banks to operate temporarily below the level of capital defined by the Pillar 2 Guidance ("P2G"), the capital conservation buffer ("CCB") and the liquidity coverage ratio (LCR). The ECB considers that these temporary measures will be enhanced by the appropriate relaxation of the countercyclical capital buffer ("CCyB") by the national macroprudential authorities.

Banks will also be allowed to partially use capital instruments that do not qualify as CET1 capital, for example Additional Tier 1 or Tier 2 instruments, to meet the Pillar 2 Requirements ("P2R"). This brings forward a measure that was initially scheduled to come into effect in January 2021, as part of the latest revision of the Capital Requirements Directive ("CRD V").

In addition, the ECB is discussing with banks individual measures, such as adjusting timetables, processes and deadlines. For example, the ECB will consider rescheduling on-site inspections and extending deadlines for the implementation of remediation actions stemming from recent on-site inspections and internal model investigations, while ensuring the overall prudential soundness of the supervised banks. In this context, the ECB Guidance to banks on non-performing loans also provides supervisors with sufficient flexibility to adjust to bank-specific circumstances. Extending

[1] Excluding NIC.

deadlines for certain non-critical supervisory measures and data requests will also be considered.

b. Liquidity support measures

i. ECB announces easing of conditions for targeted longer-term refinancing operations (TLTRO III)

On 12 March the ECB announced more favourable operations to support bank lending to those affected most by the spread of the coronavirus, in particular small and medium-sized enterprises. These measures include;

- Interest rate on TLTRO III reduced by 25 basis points and can be as low as 25 basis points below average deposit facility rate during period from June 2020 to June 2021 for all TLTRO III operations outstanding during that period.
- Borrowing allowance raised to 50% of eligible loans.
- Bid limit per operation removed on all future operations.
- Lending performance threshold reduced to 0%.
- Early repayment option available after one year from settlement starting in September 2021.
- Modification accompanied by series of longer-term refinancing operations (LTROs) designed to bridge liquidity needs until settlement of fourth TLTRO III operation in June 2020, starting from next week.

ii. ECB announces measures to support bank liquidity conditions and money market activity

On 12 March the ECB has also decided on additional longer-term refinancing operations (“LTROs”) to provide immediate liquidity support to banks and to safeguard money market conditions. While there are no material signs of strains in money markets or of liquidity shortages in the banking system, these operations will provide an effective backstop if necessary.

iii. ECB announces €750 billion Pandemic Emergency Purchase Programme (“PEPP”)

On 18 March the ECB launched a new temporary asset purchase programme of private and public sector securities to counter the serious risks to the monetary policy transmission mechanism and the outlook for the euro area posed by the outbreak and escalating diffusion of the coronavirus, COVID-19. This new PEPP will have an overall envelope of €750 billion. Purchases will be conducted until the end of 2020 and will include all the asset categories eligible under the existing asset purchase programme (“APP”).

A waiver of the eligibility requirements for securities issued by the Greek government will be granted for purchases under PEPP. The ECB will terminate net asset purchases under PEPP once it judges that the coronavirus COVID-19 crisis phase is over, but in any case, not before the end of the year.

The ECB will also expand the range of eligible assets under the corporate sector purchase programme (“CSPP”) to non-financial commercial paper, making all commercial papers of sufficient credit quality eligible for purchase under CSPP.

As well as, ease the collateral standards by adjusting the main risk parameters of the collateral framework. In particular, it will expand the scope of Additional Credit Claims (“ACC”) to include claims related to the financing of the corporate sector. This will ensure that counterparties can continue to make full use of the Eurosystem’s refinancing operations.

The ECB has stated its commitment to playing its role in supporting all citizens of the euro area through this extremely challenging time. To that end, the ECB will ensure that all sectors of the economy can benefit from supportive financing conditions that enable them to absorb this shock. This applies equally to families, firms, banks and governments.

The ECB has further stated that it will do everything necessary within its mandate including increasing the size of its asset purchase programmes and adjusting their composition, by as much as necessary and for as long as needed. It is further committed to explore all options and all contingencies to support the Eurozone economy through this shock.

The ECB stands ready to provide additional liquidity, if needed.

c. Supervisory flexibility regarding the treatment of NPLs

Furthermore, on 20 March 2020, the ECB announced that it supports all initiatives aimed at providing sustainable solutions to temporarily distressed debtors in the context of the current outbreak. To this end, the ECB has introduced supervisory flexibility regarding the treatment of NPLs, in particular to allow banks to fully benefit from guarantees and moratoriums put in place by public authorities to tackle the current distress.

First, within their remit and on a temporary basis, supervisors, will exercise flexibility regarding the classification of debtors as “unlikely to pay” when banks call on public guarantees granted in the context of COVID-19. The supervisor will also exercise certain flexibilities regarding loans under COVID-19 related public moratoriums.

Second, loans which become non-performing and are under public guarantees will benefit from preferential prudential treatment in terms of supervisory expectations about loss provisioning. Lastly, supervisors will deploy full flexibility when discussing with banks the implementation of NPL reduction strategies, taking into account the extraordinary nature of current market conditions.

Council of Ministers of the European Union

On 12 March the Ministers of Finance of the Member States of the EU agreed with the assessment of the Commission, that the conditions for the use of the general escape clause of the EU fiscal framework – a severe economic downturn in the euro area or the Union as a whole – are fulfilled.

The use of the clause will ensure the needed flexibility to take all necessary measures for supporting our health and civil protection systems and to protect our economies, including through further discretionary stimulus and coordinated action, designed, as appropriate, to be timely, temporary and targeted, by Member States.

Ministers remain fully committed to the respect of the Stability and Growth Pact. The general escape clause will allow the Commission and the Council to undertake the necessary policy coordination measures within the framework of the Stability and Growth Pact, while departing from the budgetary requirements that would normally apply, in order to tackle the economic consequences of the pandemic.

Greek Government Relief Measures

The Greek government has announced measures to address the financial effects of COVID-19 and support the economy, through the legislative acts.

The Greek government announced the temporary suspension of payment of tax obligations and social insurance contributions, provision for direct financing or financing in the form of guarantees for businesses in the sectors that are severely affected by COVID-19.

Additionally, measures were also announced for the protection of labor relations for businesses that have suspended their operations as a result COVID-19, including the prohibition of redundancies, as well as the provision for compensation amounting to EUR 800 for employees, self-employed and single person enterprises affected by the pandemic.

Similar initiatives have been taken by other countries and central banks where the Group operates.

EBA

On 25 March 2020 the EBA stated it is of the view that the public and private *moratoriam* to the extent they are not borrower specific but rather addressed to broad ranges of product classes or customers, do not have to be automatically classified as forbearance measures as for IFRS9 and the definition of default.

Hellenic Bank Association

The Hellenic Bank Association announced in March 2020 that workers, freelancers and small business owners that have been directly affected by the COVID-19 crises as a result of the Government ordering the suspension of their business operations in order to fight the pandemic, will benefit, if the customer so desires, with a deferral of all loan payments for a short period of time. Furthermore, corporations likewise effected by the COVID-19 crises measures will also benefit, if they so desire, with a short deferral in the payment of capital.

Other developments

NBG filed Form 15F to terminate U.S. Securities and Exchange Commission (the "SEC") registration and reporting obligations

On 15 November 2017, NBG announced that its Board of Directors has resolved to voluntarily terminate the amended and restated deposit agreement dated 28 May 1998 (the "Agreement"), between NBG and The Bank of New York Mellon, as depositary (the "Depositary") relating to its American Depositary Receipts ("ADRs") each representing one ordinary share. This resolution was adopted following the suspension of trading in the ADRs by the New York Stock Exchange (the "NYSE") and, pursuant to a Form 25 filed by the NYSE with the SEC on 12 December 2015, the delisting of the ADRs from the NYSE. Following the termination of NBG's ADR program on 15 March 2018, the underlying ordinary shares of NBG continued to trade on the Athens Exchange.

The Board of Directors of NBG weighed the benefits of maintaining the ADR program against the associated costs and risks and determined that terminating the ADR program is in the best interest of NBG due to the limited size of the ADR program, the costs associated with such program and NBG's reporting, filing and compliance obligations under the Exchange Act.

On 18 March 2019, NBG announced that it has filed a Form 15F with the SEC in order to terminate its registration and reporting obligations under the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"). As a result of this filing, NBG's reporting obligations with the SEC, including its obligations to file annual reports on Form 20-F and reports on Form 6-K, were suspended immediately.

The filing of a Form 15F immediately and automatically suspended NBG's reporting obligations. The SEC had 90 days after the filing to object on the suspension. As of 18 June 2019, no objection was received by the SEC and hence the suspension became a permanent termination of the SEC reporting obligations.

Lifting of capital controls

On 26 August 2019 the Greek Parliament passed a law amendment (Greek Law 4624/2019) regarding the complete lifting of capital controls, which entered into force as of 1 September 2019.

Hellenic Republic Asset Protection Scheme

In December 2019, the Greek parliament has voted the creation of an Asset Protection Scheme ("APS") (Greek Law 4649/2019) also known as the "Hercules Scheme", that will support banks on deleveraging non-performing exposures through securitization, with the aim of obtaining greater market stability. The participation to this scheme is voluntary and open to all Greek banks and it does not constitute state aid as guarantees are priced on market terms.

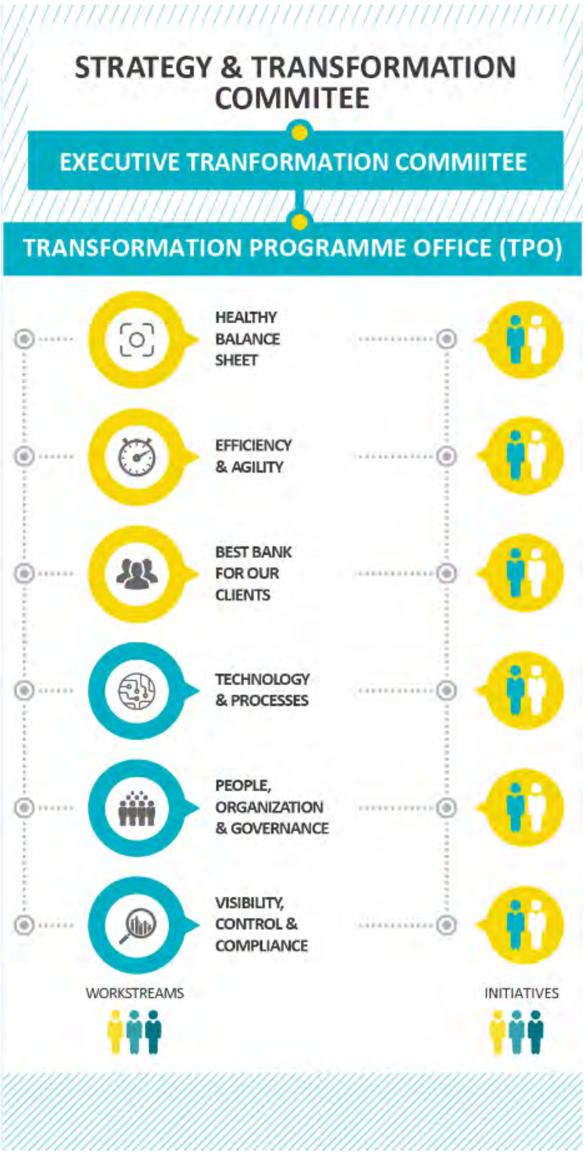
Under the Hercules Scheme, the Hellenic Republic will provide guarantees up to €12.0 billion on the senior tranches of securitizations of NPEs. The Hercules Scheme will become effective only when the originator has sold at least 50% plus one of junior tranches (and mezzanine if any) and the notes are of such amount that allows the derecognition and the Significant Risk Transfer ("SRT") of the securitized receivables.

COVID-19

The COVID-19 outbreak is a new emerging risk. We continue to monitor the COVID- 19 outbreak very closely. Our priority is always the well-being of our customers and staff. Therefore, we have invoked our business continuity plans to help ensure the safety and well-being of our staff, as well as our capability to support our customers and maintain our business operations. The macroeconomic environment as a whole remains uncertain and potential impact will be subject to the timing of the virus becoming contained (see also section "*Risk Management - Other Risk factors - Risk related to COVID-19*").

The NBG's Transformation Program

Following a clear mandate from NBG's Board of Directors, NBG launched a rigorous Transformation Program (the "Transformation Program") in the second half of 2018, committing to the delivery of aspiring financial and operational targets. The Transformation Program has been designed and is being delivered across six key Workstreams, each led by a senior executive of the Bank.



Delivering the Transformation

The Transformation Program is structured over six-month periods, termed Seasons. This setup maintains the pace and ensures that the Bank remains focused yet agile, as new Initiatives may enter or be removed from the Transformation Program and existing ones may be appropriately adjusted. Each Season begins and ends with a Ceremony, aimed at reviewing progress made, acknowledging achievements and ensuring that lessons to be learned from each Season are embedded in our future planning. In parallel, a strong Transformation Program Office ("TPO") has been established so as to:

- Ensure coherent and consistent planning of Workstream, Initiative and Sub-Initiative activities, including prioritisation of activities and programme-level dependencies tracking.
- Provide project and Transformation Program management discipline and best practices to Workstream, Initiative and Sub-Initiative Leaders.
- Deploy a thorough, timely and effective progress (and risk) reporting mechanism.

The TPO is a fundamental factor in executing the Transformation Program in a coordinated, timely and disciplined manner.

Transformation Program success in 2019

During 2019, more than 800 staff have been directly involved in the Transformation Program in at least one of the 30+ Initiatives, achieving significant tangible results across all six Workstreams:

Workstreams	Achievements in 2019
Healthy Balance Sheet (1)	▪ NPE reduction by €5.3 billion on Group level through frontloaded portfolio sales and organic efforts. ▪ Branch restructuring capacity increase (230 dedicated officers, 44 specialised hubs). ▪ Specialized restructuring and rescheduling products (e.g., Split & Settle). ▪ Set up of internal Real Estate Owned ("REO") platform. ▪ Optimization of capital allocation and deployment of excess liquidity to interest earning assets (issuance of €400 million Tier II Note).
Efficiency & Agility (2)	Reduction of personnel costs and G&A expenses by 8.6% and 14.5% respectively, through: o A successful VES (over c. 1,000 participants); o eliminating operational inefficiencies in a sustainable manner; o rationalising the Bank's branch footprint; o implementing a targeted cost management program; and o further enhancing procurement practices.
Best Bank for our Clients (3)	▪ Enhancement of Corporate coverage model through increase of relationship manager force. ▪ Market leadership in new Corporate lending, with improved rating profile and significant increase in active SME clients. ▪ Uplift in Retail fee and commission income by 13% mainly through cross-selling. ▪ Revamped internet and mobile banking offering. ▪ Launch of digital sales as well as the first fully digital onboarding offering in Greece.
Technology & Processes (4)	▪ Development of a new Card Management System ("CMS") and an enhanced Enterprise Data Warehouse ("EDW"). ▪ Increase of IT project delivery capability by c. 60%. ▪ Reengineering of core processes including retail restructuring, mortgages, Small Business and Corporate lending through simplification, centralisation and automation. ▪ Enhanced internet and mobile banking platforms with new capabilities.
People, Organisation & Governance (5)	▪ Renewal of NBG's top executive team and strengthening of governance structure. ▪ Design of a new Human Resources Management Framework, including talent identification, succession planning and performance management. ▪ Design of a new Human Resources Function.
Visibility, Controls & Compliance (6)	▪ Upgrade of the Bank's stress testing and forecasting capabilities. ▪ Launch of a comprehensive data governance and data quality program across the Bank. ▪ Enhanced Internal Control System. ▪ Cutting-edge Governance Risk and Compliance ("GRC") platform unifying the work of the various risk and control functions (Risk Management, Compliance, Internal Control, Information Security, Regulatory Affairs, HFSF Relations and Internal Audit).

Strategic Priorities for 2020-2022

Between now and 2022 NBG is currently pursuing six strategic priorities as follows:

Workstreams	Strategic priorities until 2022
Healthy Balance Sheet 1	■ Achieving a material reduction in NPEs to around 5% of gross loans by 2022, driven by frontloaded transactions, as well as an increase in concessionary long-term restructuring efforts. ■ Further improving the quality of the Bank's assets through the internal Real Estate Owned ("REO") platform supporting liquidation targets and actively managing repossessed assets.
Efficiency & Agility 2	■ Developing efficient and agile operations with lower headcount and cost base, as well as enhanced productivity through material further improvements in the Bank's operating model. Such improvements include real estate spend optimisation, as well as a material reduction in other G&A expenses through the introduction of a cost demand management function.
Best Bank for our Clients 3	■ Boosting revenue generation through an increased focus on cross-selling and fee generation opportunities in the Retail banking and through deepening large client relationships and broadening the SME base of the Corporate banking. ■ In the case of the Retail banking, this will be achieved through, segment-focused relationship managers, an accelerated migration to digital channels and a stronger focus on fee-generating products. ■ In the case of the Corporate banking, this will be achieved through, enhanced service levels, an increase in relationship managers' capacity and time spent on sales, and a drive to increase sales of ancillary products and fees.
Technology & Processes 4	■ Modernising the Bank's technology infrastructure, and optimising core processes (both customer-facing and internal) through simplification. ■ Centralisation and automation levers, to enable improved service levels and the reduction of cost.
People, Organisation & Governance 5	■ Mobilising the Bank's human resources through the implementation of a new people strategy that rewards performance and aligns individual objectives to strategic goals. ■ Redesigning the organisation to achieve a leaner structure and higher mobility.
Visibility, Controls & Compliance 6	■ Enhancing data quality and availability to the Bank. ■ Deploying new tools to enable decision making and providing integrated reporting to Management. ■ Strengthening risk and internal controls awareness across the organisation.

Key developments regarding the Financial and Macroeconomic environment

Global Economy & Financial Environment

Global economic activity weakened in 2019, with downside risks remaining significant

Global GDP growth slowed to 2.9% y-o-y in 2019 from 3.6% in 2018

Eurozone GDP growth was 1.2% y-o-y in 2019 vs 1.9% in 2018

Eurozone GDP growth to decelerate further in 2020 due to COVID-19 disruptions

The ECB

Restarted net asset purchases at a pace of €20 billion per month in a quasi-open-ended form and lowered the Deposit Facility Rate (DFR) by 10bps to -0.5% introducing a two-tier system for bank reserves

Announced in March 2020 new, temporary, asset purchases programmes

Undertook additional measures to support liquidity and funding conditions for households, businesses and banks as a response to COVID-19

The Federal Reserve ("Fed")

Lowered its main policy interest rate cumulatively by 75 basis points ("bps") in the second half of 2019 and by 150 bps in March 2020 to 0%-0.25% as a response to COVID-19

Undertook measures in March 2020 to ensure ample liquidity to the financial system

Global growth slowed in 2019, with risks remaining to the downside

The global economic recovery lost steam in 2019, with real gross domestic product ("GDP") increasing by 2.9% from 3.6% in 2018[2] mainly due to international trade uncertainty, political factors (Brexit) and idiosyncratic issues related with the German car industry. In that context, the euro area economy slowed significantly, with real GDP growth at 1.2% in 2019 compared with 1.9% in 2018. In the United States ("US"), growth moderated to 2.3% in 2019 from 2.9% in 2018 as, *inter alia*, fiscal policy turned neutral from expansionary. Moreover, economic activity in China recorded its slowest pace since 1991. Real GDP growth decelerated to 6.1% in 2019 from 6.7% in 2018, partly due to trade-related uncertainty and higher tariffs.

Monetary policy shifted to a much more accommodative stance to support economic activity. The Federal Reserve ("Fed") lowered its main policy interest rate cumulatively by 75bps to 1.5%-1.75% in the second half of 2019. Moreover, during March 2020, the Fed adopted a set of measures to avoid a tightening of financial conditions and to support the unperturbed flow of credit to households and businesses and more generally economic conditions, as economic activity weathers the storm of the COVID-19 outbreak and the adverse consequences of the necessary measures to safeguard public health.

Specifically, the Fed lowered its main policy interest rate by 150 bps cumulatively during March to 0%-0.25%. Furthermore, to support the smooth functioning of markets for US Treasury securities and agency mortgage-backed securities, the Fed will increase its holdings of Treasury securities by at least USD 0.5 trillion (holdings of USD 2.5 trillion as of 11 March 2020) and by at least USD 200 billion of mortgage-backed securities (current holdings of USD 1.4 trillion), over the coming months. Moreover, the Fed conducted three term repo operations in large size to ensure ample short-term liquidity. Specifically, the Fed offered USD 1.5 trillion in three operations of USD 0.5 trillion each. The one operation has a duration of one month and the other two have a duration of three months. Finally, the purchases of US Treasury Bills (mainly), which were decided in October 2019 to secure ample reserve balances for financial institutions, continue. Due to these purchases, as of 11 March 20 (prior to the temporary operations of USD 1.5 trillion), the Fed's total balance sheet stood at USD 4.3 trillion (19.8% of GDP) compared with USD 3.8 trillion in early-September 2019.

[2] Source: IMF, World Economic Outlook Update, January 2020

More importantly, on March 23rd, the Fed effectively announced unlimited quantitative easing, vowing to offer as many funds as needed to ensure ample credit will be available for most US economic agents (consumers, small and medium sized businesses, investment grade large corporations, municipalities, the Federal, state and local governments).

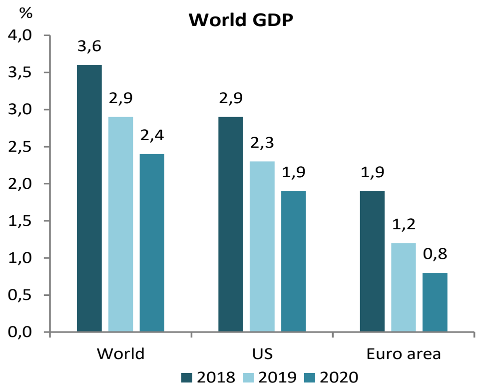
In a similar vein, the Bank of England (March 2020) reduced the Bank rate by 65bps cumulatively during March 2020 to 0.10%, decided to increase by GBP 200 billion its holdings of UK government and corporate bonds to GBP 645 billion and introduced a new Term Funding scheme with incentives for SMEs, while the Financial Policy Committee ("FPC") reduced the counter-cyclical capital buffer of banks to 0% from 1%.

The ECB proceeded with a comprehensive policy package in September (i) restarting net asset purchases at a pace of €20 billion per month in a quasi-open-ended form; (ii) lowering the DFR by 10bps to -0.5% (Main Refinancing Rate was unchanged at 0%); (iii) introducing a two-tier system for bank reserves in which a significant part of banks' excess liquidity is exempted from the negative DFR and (iv) extending the maturity of the new series of TLTROs to three from two years amid slightly more favourable pricing terms compared to the March 2019 announcement. On March 2020, in order to lessen the economic impact of the COVID-19 spread, the ECB decided (i) to conduct additional longer-term refinancing operations to bridge the period until the TLTRO III operation in June 2020 (ii) to apply considerably more favourable terms (volumes and pricing) during the period from June 2020 to June 2021 to all TLTRO III operations (iii) to proceed with additional net asset purchases of €120 billion until the end of 2020 and iv) announced a new asset purchase programme of private and public sector securities of €750 billion, which will run until the end of 2020. Overall, the ECB's total balance sheet is set to reach €5.8 trillion (48.6% of euro area GDP) in the end of 2020. Finally, the ECB Banking Supervision arm will provide temporary capital, liquidity and operational relief to the euro area financial institutions.

Financial developments were broadly positive during 2019 as central banks' shift towards a more accommodative stance and the Phase One US-China trade deal supported risk appetite. Global equities recorded strong gains with the Morgan Stanley Capital International All Country World Index ("MSCI ACWI") up by 24% in USD terms and speculative grade corporate bond spreads narrowed substantially. At the same time, expansionary monetary policy alongside declining expectations for global growth and inflation, led nominal government bond yields significantly lower during 2019 (US 10-Year: -77bps to 1.92% | German 10-Year: -43bps to -0.19%).

In the first quarter of 2020, however, risk assets suffered sharp losses and volatility spiked due to concerns for the spread of COVID-19 and the collapse in oil prices triggered by the decision of Saudi Arabia to lower its official oil selling prices and increase production. The MSCI ACWI index has decreased by 24% and EUR speculative grade corporate bond spreads have widened by 321bps to 629bps. Safe-haven demand and heightened expectations for aggressive monetary easing have sent core Government bond yields at record lows with the 10-Year US Treasury yield at 0.81% and the 10-Year German Bond yield at -0.74% (as of 12 March 2020). Looking forward in 2020, the growth rate of the global economy is expected to slow further to 2.4%[3] as disruptions stemming from the measures to mitigate the spread of COVID-19 will depress economic activity. Risks are tilted to the downside though, including a longer lasting and more intensive COVID-19 outbreak resulting in a sharper-than-expected slowdown in China, Europe and US. A re-escalation of trade tensions between the US and China or/and a broadening of these tensions between the US and the EU could hurt economic prospects, as well.

World GDP



Source: OECD, Interim Economic Outlook, March 2020

[3] Source: OECD, Interim Economic Outlook, March 2020

Domestic Economy & Banking System

Recovery maintained momentum in 2019, however new risks arise in 2020

- GDP growth remained constant at 1.9% y-o-y in 2019 – same pace as in 2018 – slowing to +1.0% y-o-y in Q4:2019 due to inventory contraction
- Pick-up in private consumption and investment, with a positive contribution of 0.8 pps, on an annual basis, from net exports
- Positive assessment under the fifth Enhanced Surveillance Report
- Greece further consolidated its presence in the international capital markets
- Hellenic Republic's liquidity buffer remains undrawn, exceeds €30 billion and is one of the largest in the EU as per cent of gross financing needs
- Economic sentiment at historical highs, sharp contraction in risk premia, sovereign bond yields at all-time lows
- However, the escalation of the COVID-19 pandemic poses significant risks to near term economic prospects

The revival of the Greek real estate market accelerated in 2019

- House prices rose by 7.2% y-o-y in 2019 – the strongest annual pace in the last 14 years – while house prices in the Athens area increased by 10.4% y-o-y (+11.0% y-o-y in Q4:2019)
- Commercial property prices increased by 6.3% y-o-y in the first half of 2019
- Residential construction activity increased by 12.0% y-o-y in 2019 marking the second year of recovery
- Residential building permits issuance accelerated to 24.0% y-o-y in 11M:2019, presaging a further strengthening in 2020
- A potential shrinkage in external demand related to the COVID-19 is likely to weigh on the pace of recovery in the real estate market

Banking system starts to capitalize on macroeconomic improvements and ambitious restructuring efforts

- Private sector deposits increased by €8.9 billion in 2019
- Pick-up in corporate lending but continuing deleveraging in the retail segment
- Complete disengagement from the Emergency Liquidity Assistance ("ELA") funding and issuance of Tier II bonds
- Increased downside risks for the economy activity could adversely affect demand for credit and liquidity conditions in the coming quarters

Greece's economic recovery continued, but downside risks are increasing for 2020

GDP increased by 1.9% y-o-y in 2019 – despite a slowing to +1.0% y-o-y (-0.7% q-o-q) in the fourth quarter of 2019 – maintaining the same pace of expansion as in 2018, mainly supported by exports of services (mostly tourism), gross fixed capital formation and final consumption (increases of 8.1% y-o-y, 4.6% y-o-y and 1.0% y-o-y, respectively, in 2019).[4]

The economic sentiment indicator for Greece rose to 110.4 in December 2019, strengthening further to a 19-year high in 2M:2020, supported by a joint improvement in the consumer, services and construction confidence, on the back of improving labour market conditions and positive prospects for domestic demand, tourism and public investment.[5] However, high frequency indicators are not yet capturing the rapidly increasing risks related to the COVID-19 outbreak, which now appears to cloud the near-term prospects of the economy.

Employment growth stabilized at 2.1% y-o-y in 2019 and the unemployment rate contracted to a 9-year low of 16.3% in December 2019.[6]

Solid export growth led to a notable contraction in the current account deficit to 1.4% of GDP in 2019 from 2.8% of GDP in 2018. This improvement, mainly, reflects the strong tourism sector performance, with tourism revenue reaching an all-time high of €17.7 billion (12.9% y-o-y) and non-resident arrivals increasing by 4.1% y-o-y in 2019.[7]

The ongoing recovery in the Greek real estate market gained additional traction, with house prices increasing by 7.2% y-o-y in 2019 – the strongest annual pace in 14 years – with prices of prime commercial spaces (the arithmetic average of retail and office prices) increasing by a solid 6.3%, y-o-y, on average, in the first half of 2019.[8] Construction activity has also shown signs of recovery, with residential construction on an upward trend for a second consecutive year, increasing by 12.0% y-o-y in 2019 and by 17.3% y-o-y in the fourth quarter of 2019.[9]

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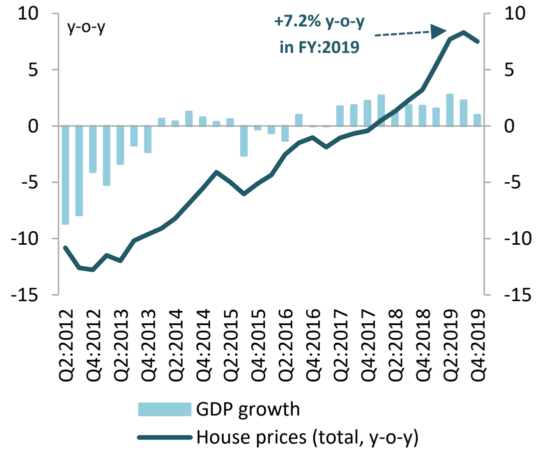
[4] Source: EL.STAT., Quarterly National Accounts Press Release, 4th quarter 2019, March 2020 & Quarterly Gross fixed capital formation by Asset, Chain-linked volumes, reference year 2010, 4th quarter 2019, March 2020
[5] Source: European Commission, Business and consumer survey database
[6] Source: EL.STAT., Labour Force Survey, Monthly Data, December 2019
[7] Source: Bank of Greece, Balance of Payments statistics database & Press Release, Developments in the balance of travel services, December 2019
[8] Source: Bank of Greece, Real Estate database & Bulletin of Conjunctural Indicators, November-December 2019
[9] Source: EL.STAT., Press Release, Quarterly Gross fixed capital formation by Asset, Chain-linked volumes, reference year 2010, 4th Quarter 2019, March 2019

GDP growth & house prices



Source: EL.STAT. & Bank of Greece

Government bond spread over bund & stock market

Source: Bloomberg

Private sector deposits in the Greek banking system increased by €8.9 billion, as at 31 December 2019 compared to 31 December 2018, with households contributing €6.6 billion and corporates €2.3 billion. As regards deposit structure, sight and saving deposits increased by €9.6 billion, while time deposits declined by €0.7 billion. The pace of deleveraging slowed, with bank lending to corporations expanding by 1.9% y-o-y as at 31 December 2019 and net corporate credit flows reaching €1.6 billion, cumulatively, in 2019. However, total credit growth to the private sector contracted by 0.5% y-o-y as at 31 December 2019, since household lending continued to decline by 2.8% y-o-y as at 31 December 2019.[10]

Fiscal over-performance is expected to continue in 2019 (Fiscal over-performance is expected to be confirmed by the official announcement by Eurostat of annual fiscal data on 23 April 2020), when the primary surplus in General Government – according to the Enhanced Surveillance definition – is estimated to reach 3.8% of GDP in 2019 (from 4.2% in 2018), despite the implementation of expansionary measures of c. 1.0% of GDP. For 2020, the Budget envisages the implementation of expansionary measures of 0.6% of GDP (€1.2 billion), which had been planned to be financed by efficiency improvements and supportive cyclical conditions. The budgeted fiscal expansion is broadly balanced between corporates (decline in corporate income tax rate to 24% from 28%) and households and was estimated to have had a relatively high fiscal multiplier supporting GDP growth in 2020.[11] However, increasing risks related to the COVID-19 outbreak could possibly weigh on cyclical conditions and pose upward pressure on government spending.

On 24 January 2020, Fitch Global Ratings upgraded the Hellenic Republic's long-term sovereign rating to 'BB' from 'BB-' changing its outlook to positive. This is the highest rating since April 2011 and narrows the gap from the investment grade threshold to 2 notches.[12] The upgrade, along with the supportive monetary environment, have been accompanied by a compression of sovereign yields to all-time lows in the second half of 2019 and in early 2020, with the 10-year Greek government bond yield declining to below 1.0% in February 2020.[13] Between January 2019 and January 2020, the Hellenic Republic raised €11.5 billion in total, through Greek government bond issuance, at steadily declining lending rates. However, a sharp increase in market volatility related to the COVID-19 pandemic led to significant increase in Greek government bond yields in early-March 2020.

On 20 November 2019, the European Commission adopted the fourth Enhanced Surveillance report for Greece that confirmed the above described macroeconomic and structural improvements and highlighted the need for speeding up the cleaning up of the bank balance sheets and consolidating further the structural reform agenda. On the basis of this report, the Eurogroup of 4 December 2019 approved the release of an instalment of the Agreement on Net Financial Assets ("ANFA") & Securities Market Programme ("SMP") revenue and the waiver of the step-up interest rate margin for part of the loans extended by the EFSF (corresponding to cumulative fiscal savings €0.8 billion, in total).[14]

The COVID-19 outbreak and uncertainties surrounding the evolution of the disease and its economic impact remain highly uncertain, whereas all estimates are based on information available in March 2020. Against a backdrop of ongoing downward revisions of growth forecasts for the global economy and the euro area, in conjunction with Greece's high dependency on inbound tourism and spending on services, Greek GDP growth is expected to substantially deviate from the estimated 2.3% y-o-y (average of official estimates)[15] in 2020.

[10] Source: Bank of Greece, Monetary and Banking statistics database

[11] Source: EL.STAT., Press Release, Fiscal data for the years 2015-2018, 2nd Notification, October 2019 & Ministry of Finance, Budget 2020, November 2019

[12] Source: Fitch Global Ratings Press Release

[13] Source: Bloomberg

[14] Source: ESM, Press Release 20 December 2019 & Press release, 9 January 2020

[15] Source: European Commission, Winter (Interim) Forecasts, February 2020 & IMF, World Economic Outlook, October 2019

Macroeconomic Environment and the Banking Services Sector in North Macedonia[16]

The economic and banking sector of North Macedonia performed well in 2019

In North Macedonia, GDP growth reached a four-year high of 3.6% in 2019 against 2.7% in 2018, mainly driven by investments. The latter was supported by stronger corporate lending activity, in an environment of low interest rates, and improved business confidence. At the same time, private consumption continued to expand at a solid pace, in line with tightening labour market conditions.

Unsurprisingly, the external accounts deteriorated, reflecting not only solid domestic demand, but also weak external demand from their main trading partner -- the euro area. In North Macedonia, the current account deficit widened to 2.8% of GDP in 2019 from just 0.1% in 2018, but it was almost fully covered by non-debt generating foreign direct investments ("FDI").

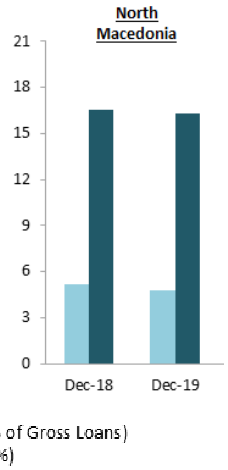
Amid a favourable operating environment, the fundamentals and the performance of the banking sector remained strong in 2019, despite unfavourable base effects. The latter includes a sharp reversal in loan loss provisions following the sale of a non-performing corporate loan in 2018. All said, the bottom line weakened to €109 million in North Macedonia in 2019 from €136 million, in 2018, still above the 2017 outcome of €107 million. Importantly, the ratio of non-performing loans to total gross loans remained subdued in North Macedonia (at 4.8% in December 2019 against 5.2% a year earlier), reflecting strong economic activity as well as write-offs and sales of non-performing loans. Moreover, the capital adequacy ratio remained sound at 16.3% in December 2019.

The outlook remains positive for North Macedonia

Despite the adverse external environment, economic growth is set to broadly maintain its pace in 2020 in North Macedonia, on the back of strong domestic demand, especially investments. Overall, we see GDP growth at 3.4% in 2020, slightly lower compared with the previous year and in line with its long-term potential.

There are, however, downside risks to the outlook, stemming mainly from the COVID-19 outbreak and an escalation of world trade and geopolitical tensions, which could lead to weaker-than-expected economic growth in the euro area. Country-specific risk factors for North Macedonia include an inconclusive outcome in the April 2020 Parliamentary elections and a further delay in opening the discussion of the EU membership.

Banking System Fundamentals



Source: National Bank of the Republic of North Macedonia

[16] Source: Published data from the Central Bank and the National Statistical Agencies of the country and processed by the NBG.

Financial Results of 2019

12M.19 Group profit after tax ("PAT") from continuing operations at €483 million, reflecting the following key Income Statement movements:

- **12M.19 Net Interest Income ("NII") up by 6.6% y-o-y to €1,186 million**, driven mainly from the interest income from the Greek government bonds received from the exchange of Swap with the Hellenic Republic and other investment securities which absorbed the 2H.19 interest expense from the issuance of the Tier II note €400 million, as well as a contained reduction in loans and advances to customers NII, as loan deleveraging softened; while 12M.19 disbursements reached €3.3 billion, up by 13.0%.
- **Net Fees and Commissions are up by 5.8% y-o-y**, indicate strong recovery in retail banking fees, with corporate fees ex investment banking slightly down.
- **Trading & other income** benefits from large non-recurring gains from the Greek government bond swap transaction (€65 million) and Grand hotel disposal (€30 million) as well as from the sovereign bond portfolio sales.
- **Operating expenses down by 4.4% y-o-y** on the back of successful VES completion concerning a total of 1,106 employees, the reduction of the physical network by 71 branches and tighter general, administrative and other operating cost control;
- **12M.19 Cost: Core Income drops to 58.5%** vs 65.2% a year ago.
- **Cost of Risk at 123bps** in 12M.19 relative to 114bps in 12M.18.

12M.19 Core Operating Profit is up 36.5% y-o-y, with 4Q.19 Core Operating Profit down 63.9% q-o-q due to significantly increased trading and other income in 3Q.19 due to gains in 9M.19 of €148 million from trading and the held to collect ("HTC") and trading and the held to collect and sell ("HTCS") Italian bonds sales.

12M.19 PAT from discontinued operations of €494 million includes the impairment of NIC.

€ million	FY19	FY18	YoY	4Q.19	3Q.19	QoQ
Net interest income	1,186	1,113	+6.6 %	288	299	-3.7%
Net fee and commission income	255	241	+5.8 %	71	64	+10.4 %
Core Income	**1,441**	**1,354**	**+6.4 %**	**359**	**363**	**-1.2%**
Trading and other income	240[1]	(71)	n/m	(17)	106	n/m
Total Income	**1,681**	**1,283**	**+31.0 %**	**342**	**470**	**-27.2%**
Operating expenses	(843)	(882)	-4.4%	(221)	(213)	+3.8 %
Core PPI	**598**	**472**	**+26.7 %**	**138**	**150**	**-8.2%**
PPI	**838**	**401**	**>100%**	**121**	**257**	**-52.9%**
Loan impairments	(365)	(301)[2]	+21.1 %	(105)	(59)	+78.0 %
Core Operating Profit	**233**	**171**	**+36.5 %**	**33**	**91**	**-63.9%**
Operating Profit	**473**	**100**	**>100%**	**16**	**198**	**-91.9%**
Other impairments	23	(9)	n/m	4	16	-75.0%
PBT	**496**	**91**	**>100%**	**20**	**214**	**-90.6%**
Tax benefit / (expense)	(13)	(26)	-50.0%	(2)	(3)	-33.3%
PAT (continuing operations)	**483**	**65**	**>100%**	**18**	**211**	**-91.5%**
PAT (discontinuing operations)	(494)	(37)	>100%	(571)	(23)	>100%
LEPETE	(90)	-		(54)	(36)	+50.0 %
VES, restructuring &other one off costs[3]	(136)	(78)	+74.7 %	(26)	(5)	>100%
Non-controlling interest	(18)	(34)	-47.1%	-	(1)	-100.0%
PAT	**(255)**	**(84)**	**>100%**	**(633)**	**146**	**n/m**

[1] Includes among others €65 million trading gain from the Greek government bond swap arrangement with the Greek state excluding the allowance for expected credit losses and €30 million capital gain from Grand hotel disposal.
[2] Includes recoveries of €42 million from NPE sales.
[3] VES, restructuring charges and other one off, comprising of VES costs of €96 million (2018:€66 million), restructuring cost of €14 million (2018:€12 million), impairments relating to termination of leases of branches and other one off costs of €27 million (2018: Nil).

NPE performance

- **NPE balance** at Bank level was reported at €10.6 billion, recording a total reduction of €4.7 billion in the FY19, of which €0.8 billion in Q4.19.
- **NPE ratio** in Greece decreased to 32.2%, compared to 41.1% in December 2018.
  The FY19 NPE reduction in Greece of €4.7 billion was mainly related to inorganic actions (€3.4 billion; 72% of total), of which €3.1 billion is due to portfolio sales. The reduction achieved through organic measures was €1.3 billion, mainly due to debt forgiveness granted upon restructurings and liquidations.
- **NPE coverage** in Greece stood at 53.2%, declining from 59.0% in December 2018.
- **Bank's SSM NPE targets** for FY2019 were exceeded by €0.5 billion.
- **Group NPE ratio and NPE coverage** for 2019 stood at 31.3% and 53.4% respectively.

Domestic deposits up 1.2% y-o-y

Domestic deposit recovery continues in 4Q (+1.2% y-o-y), on quarterly inflows of €0.8 billion on the back of favorable seasonality; LCR & NSFR ratios are kept at levels well above 100%, exceeding regulatory thresholds.

CET1 ratio at 16.0%

- **4Q19 CET1 and total CAD** ratio at 16.0% and 16.9% respectively, well above 2020 SREP requirement of 10.5% and 14.0%.
- **Group CET1 ratio Full Loaded basis** at 12.8%.

Profitability	12M.19	12M.18	Δ	4Q19	3Q19	Δ
NIM (bps)	268	272	*-4 bps*	259	270	*-11 bps*
Cost to core income	58.5%	65.2%	*-7 ppts*	61.6%	58.6%	*+3 ppts*
Cost of Risk (bps)	123	114	*+10 bps*	144	81	*+63 bps*
Risk adjusted NIM[(1)]	145	158	*-14 bps*	115	189	*-74 bps*

Liquidity	YE.19	Q3.19	Δ	YE.18	Δ
Loans-to-Deposits ratio	66.9%	67.7%	*-1 ppts*	70.0%	*-3 ppts*
LCR	207.3%	198.3%	*+9 ppts*	143.9%	*63 ppts*
NSFR	115.3%	116.2%	*-1 ppts*	107.6%	*8 ppts*

Capital	YE.19	YE.18	
CET1 ratio	16.0%	16.1%	*SREP 2019 / 2020 : 10.25% / 10.50%*
RWAs (€ billion)	37.3	35.0	

(1) Risk Adjusted NIM=NIM-Cost of Risk

Going concern

Liquidity

As at 31 December 2019, funding from the ECB remained at €2.2 billion (31 December 2018: €2.2 billion). As of 31 December 2019 the Bank had entered into secure interbank transactions with foreign financial institutions of €0.5 billion, while the Bank's liquidity buffer stood at €12.4 billion (cash value), with the LCR and NSFR ratios well above 100%.

Capital adequacy

The Group's CET1 and Total Capital ratios at 31 December 2019 were 16.0% and 16.9% respectively exceeding the OCR ratios of 13.75% and 14.0% for 2019 and 2020 respectively (see Note 4.7 of the Financial Statements).

Going concern conclusion

The Board of Directors concluded that the Bank is a going concern after considering:

a) the current level of ECB funding solely from TLTROs, the current access to the Eurosystem facilities with significant collateral buffer, and the LCR and NSFR ratios well above 100%;

b) the Group's CET1 ratio at 31 December 2019 which exceeded the OCR requirement; and

c) the recent developments regarding the Greek economy and the latest estimates regarding macroeconomic indicators, as discussed below.

Macroeconomic developments

Economic activity in Greece remained on a steady upward trend in 2019, with GDP increasing by 1.9% y-o-y in FY:2019, same pace as in FY:2018, against a backdrop of weak economic growth in the euro area. This performance was driven by a positive 0.8-pp contribution from net exports, and by the pick-up in private consumption and gross fixed capital formation (0.8% y-o-y and 4.6% y-o-y, respectively), along with a rise in public consumption of 2.2% y-o-y in 2019.

Economic sentiment remained on an upward trend in December 2019, increasing further to a 19-year high in 2M:2020, on the back of buoyant consumer confidence and has been accompanied by a further strengthening in the services, retail and, more recently, construction confidence[17]. The above trends have been bolstered by supportive labour market conditions (the unemployment rate declined to 16.3% in December 2019, the lowest level since March 2011) and an easing in the fiscal stance since 2019[18]. Fiscal overperformance for 2019 is expected to be confirmed by the official announcement by Eurostat of annual fiscal data on 23 April 2020, when the primary surplus in General Government is estimated to reach 3.8% of GDP – according to the Enhanced Surveillance definition. The Budget for 2020 envisages the implementation of expansionary measures of 0.6% of GDP (€1.2 billion) in 2020, which had been planned to be exclusively financed by efficiency improvements and supportive cyclical conditions. The budgeted fiscal expansion is broadly balanced between corporates (decline in corporate income tax rate to 24% from 28%)[19]. However, increasing risks related to the COVID-19 outbreak could possibly weigh on cyclical conditions and pose upward pressure on government spending.

The significant improvement in macroeconomic conditions in Greece, along with an accommodative shift in ECB policy in H2:2019 – which presaged a more protracted-than-previously expected period of monetary easing – led to a further compression in sovereign risk and Greek government bond yields to all-time lows in H2:2019 and early 2020[20]. However, the escalation of the COVID-19 crisis lead to a significant increase in Greek government bond yields of approximately 70 bps for the 10-year Greek government bond between mid-February and early-March 2020.

On that note, the official sector's projections until February 2020 indicated that annual GDP growth in Greece would reach 2.3% y-o-y in 2020 (average of European Commission and IMF forecasts)[21], despite the continuing weakness in the euro area economy. However, the COVID-19 outbreak, and most importantly, the rapid spread of the epidemic globally, is now expected to adversely affect economic activity worldwide, with the Greek economy facing significant challenges in view of the important role of services in economic activity and its relatively shallow production structure (high dependence on imports). The evolution of the disease and its economic impact remains highly uncertain, whereas all estimates are based on information available until March 2020. Against this backdrop of ongoing downward revisions of growth forecasts for the global economy and the euro area, in conjunction with Greece's high dependency on inbound tourism, Greek GDP growth is expected to substantially deviate from the official scenario in 2020.

For a list of measures that have been adopted in 2020 in order to provide support to the European banking system and the Greek economy in dealing with COVID-19 please see Note 47 Events after the reporting period of the Financial Statements.

Trend information

2019 was a pivotal year for NBG, with solid profitability improvement, capital enhancement and rigorous clean up of NPEs. Greece's economic recovery continued, but downside risks are increasing for 2020, as high frequency economic indicators are not yet capturing the rapidly increasing risks related to the COVID-19 outbreak, which now appears to cloud the near-term prospects of the economy.

Operating results and in line with the strategic priorities for 2020-2022 (see section "*Transformation Program*") are expected to improve markedly, driving the 2020 Group operating profit significantly higher y-o-y. The decline in personnel costs will be reflected in 2020, as a result of the VES launched in 2019 and the decline in cost base by developing efficient and agile operations.

[17] Source: European Commission, Business and consumer survey database
[18] Source: EL.STAT., Labour Force Survey, Monthly Data, December 2019
[19] Source: EL.STAT., Press Release, Fiscal data for the years 2015-2018, 2nd Notification, October 2019 & Ministry of Finance, Budget 2020, November 2019
[20] Source: Bloomberg
[21] Source: European Commission, Winter (Interim) Forecasts, February 2020 & IMF, World Economic Outlook, October 2019

Furthermore, in January 2020 the exchange of the three existing Greek Government Bonds held by NBG with a new Greek Government Bonds (see below) had a positive impact for NBG of €515 million (based on the accounting value of the existing Greek Government Bonds) resulting from the recent Greek sovereign spread compression, through an exchange that safeguards recurring interest income at a yield to maturity of 2.5%. However, a sharp increase in market volatility related to the COVID-19 pandemic led to significant increase in Greek government bond yields in early-March 2020.

In terms of liquidity, with LCR and NSFR ratios well above 100%, and a substantial cash buffer, NBG is well placed to facilitate the demand for new corporate disbursements. More specifically, in 2020, the Retail Banking Division (see section "*Economic and financial review - Business Overview - Retail Banking - 2020 Priorities*") will continue its Transformation Program, developing strategic areas in order to increase business volumes, support net fee and commission income, leverage all channels to deliver results, and create value from its robust and loyal customer base. Corporate and Investment Banking Division aims to leverage the Bank's strong human capital and product structuring capabilities, along with a revised coverage and service model see section "*Economic and financial review - Business Overview - Corporate and Investment Banking - 2020 Priorities*").

Group's NPEs declined by €5.3 billion in 2019, driven by the disposal of Project Symbol, Project Mirror, Shipping portfolio (see "*Key developments- Disposal of NPE portfolios*") and negative formation; where another €1.6 billion reduction is expected in the second quarter of 2020 from a sale process for unsecured Small Business Loan ("SBL") and corporate loans. Our NPE provision coverage bodes well for the continuation of a series of sales and other closure actions, in rapid succession. Based on the NPE strategy, with the latest approved targets that the Bank submitted on 31 March 2019 to the SSM for the period 2019- 2021 (see "*Key developments-Successful execution of Bank's NPE reduction strategy delivers balance sheet strength*"), aims to accelerate further the NPE reduction to c.5% by 2022, without utilizing any additional dilutive capital. However, the annual revision of NPE operational targets and submission to SSM (regularly due in March) has been postponed by ECB) due to the COVID-19 pandemic crisis.

Additionally, the Bank will keep preparing for a large scale securitization of more than c. €6 billion that will be launched as soon as market conditions permit, driving the YE19 stock of Bank NPEs to low single digit levels.

Events after the reporting period

Exchange of Greek government bonds

On 22 January 2020 the Bank announced that the Hellenic Republic and NBG had agreed on a Greek Government Bond exchange, involving three existing Greek Government Bonds held by NBG with a new Greek Government Bond. The terms of the existing and new Greek Government Bonds are as follows:

Existing Greek Government Bonds

ISIN	Maturity	Interest Rate	Nominal Amount in € million	Settlement Amount in € million
GR0112009718	20 March 2023	2.90%	250	271
GR0116007924	20 March 2025	3.25%	964	1,092
GR0118018663	20 March 2026	3.55%	2,100	2,440

New Greek Government Bond at issue price of 114.7114415026

ISIN	Maturity	Interest Rate	Nominal Amount in € million	Issue Date
GR0138016820	20 March 2050	3.25%	3,314	21 January 2020

The exchange was executed at market terms and was settled on 21 January 2020. NBG realizes a gain of €515 million (based on the accounting value of the existing Greek Government Bonds) resulting from the recent Greek sovereign spread compression, through an exchange that safeguards recurring interest income at a yield to maturity of 2.5%.

The transaction enhances Bank's capital position, facilitating the frontloading of an ambitious NPE reduction plan.

Other events

Covered Bond cancellation

On 19 March 2020 NBG proceeded with an additional partial cancelation of €100 million of Series 9 (see Note 21 of the Financial Statements).

Brexit

On 29 January 2020, a majority in the European Parliament ratified the withdrawal agreement of the UK from the EU. A transition period was established between 2 February to 31 December 2020. The Group has limited activities in the UK.

NBG shares and shareholder structure

NBG Shares

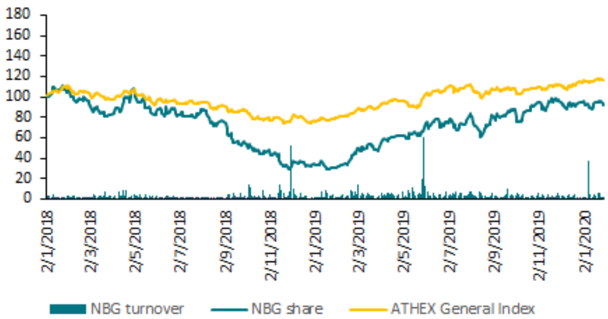
In 2019, the Athens Exchange ("ATHEX") was among the world's top performing markets, posting significant gains against a backdrop of improving economic conditions, increasing confidence, as well as strong fiscal performance. The ATHEX general index increased by 49.5% y-o-y, led by an impressive recovery of the banking sector, with the banking index posting a 101.3% y-o-y increase.

Following the market's upward momentum, NBG's share price increased from its year low of €0.92 on 21 January 2019 to its year high of €3.1 on 24 November 2019, closing the year at €3.0 on 31 December 2019. NBG's market capitalization as at 31 December 2019 stood at €2.7 billion compared to €1.0 billion as at 31 December 2018. The annual trading volume stood at €2.1 billion in 2019, 50.0% higher than the previous year.

NBG Stock Market Data

NBG Stock Market Data	2019	2018
Year-end price (€)	3.0	1.1
Year high (€)	3.1	3.6
Year Low (€)	0.9	0.9
Yearly standard deviation for NBG share price (%)	3.2	3.2
Yearly standard deviation for banking sector (%)	2.8	2.9
NBG market capitalization at year end (€ billions)	2.7	1.0
Annual trading volume (€ billions)	2.1	1.4
NBG to ATHEX trading volume ratio (%)	11.7	10.2

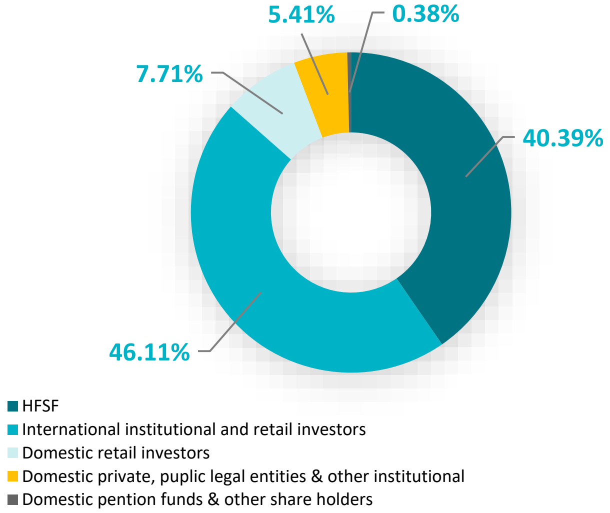
NBG Share Price & Turnover



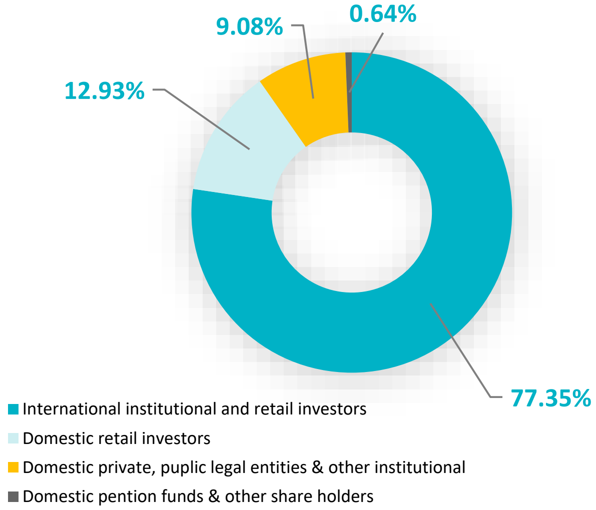
Shareholder Structure

As at 31 December 2019, NBG's share capital was divided into 914,715,153 common shares of a nominal value of €3.00 each. As at 31 December 2019, NBG's free float was broad-based, including c. 109,600 institutional and retail shareholders of which 40.39% is held by the HFSF, while 46.11% was held by international institutional and retail investors, and 7.71% by domestic retail investors. Excluding the HFSF's shareholding, the participation of international institutional and retail investors stood at 77.35% while domestic retail investors stood at 12.93%.

NBG's Shareholders Structure as of 31 December 2019



NBG's Shareholders Structure (excl. HFSF) as of 31 December 2019



Business Overview

Group main activities at a glance:

Continuing operations:

In Greece

- Retail banking
- Corporate and investment banking
- NPE management (Troubled Asset Units)
- Other
  - Global Transaction Services
  - Leasing
  - Factoring
  - Brokerage
  - Asset management
  - Real estate

Outside of Greece:

Two banking subsidiaries:
- Stopanska Banka A.D.—Skopje (Stopanska Banka) and
- NBG Bank (Malta) Ltd. (NBG Malta)

Discontinuing operations:

In Greece

One subsidiary in the insurance sector
- NIC

Outside of Greece:

Banking activities in:
- Cyprus (NBG Cyprus) and
- Egypt (NBG Cairo Branch)

Credit acquiring subsidiary in Cyprus CAC Coral Ltd

The Bank is the principal operating company of the Group, representing 94.3% of the Group's total assets, excluding non-current assets held for sale, as at 31 December 2019. The Bank's liabilities represent 96.8% of the Group's total liabilities, excluding liabilities associated with non-current assets held for sale, as at 31 December 2019.

Activities in Greece

The Bank is one of four systemic banks in Greece and it holds a significant position in Greece's retail banking sector. As at 31 December 2019, the Bank had a total of 390 branches in Greece. Furthermore, the Bank, through 1,465 ATMs (752 onsite and 713 off-site), offered an extensive network covering – even in the most remote areas of the country.

Activities in Greece include the Bank's domestic operations, Ethniki Leasing S.A (Ethniki Leasing), Probank Leasing S.A. (Probank Leasing) and Ethniki Factors S.A. (Ethniki Factors). The Group's domestic operations accounted for 96.2% of its total lending activities as at 31 December 2019 (the Domestic Banking gross loans) and for 96.8% of its deposits (the Domestic Banking deposits).

Retail Banking

2019 Highlights

Maintained strong and low-cost deposit base, managing to preserve market share and high liquidity and reduce the overall cost for the Bank.

Grew lending across all product lines (new disbursements in Mortgage +23.0% y-o-y, Consumer Lending + 46.0% y-o-y and Small Business Lending + 13.9% y-o-y, Cards acquiring turnover + 16.5% y-o-y, including debit, credit and prepaid cards).

Strengthened net fee and commission income (+13.4% y-o-y), through new products & services, as well as pricing policy optimization.

Implemented a revamped customer-centric service model.

Continued the branch network optimization in terms of footprint, operating model, performance management, image and service (96 units merged in 2019).

Attracted new assets in Private Banking, resulting in significant growth in the segment's balance sheet.

Strengthened digital business increasing customer digital engagement (21.7% and 56.4% y-o-y) Increase in active users within the last 12 months, on internet and mobile respectively), while with a notable 52.4% increase in the Bank's mobile application downloads, stated clearly Bank's capability to follow the trend in digital Business towards mobile banking.

Remote customer digital onboarding.

Reduced direct and allocated costs by 9.6%.

Strategic areas

The strategic objective of the Retail Banking Division is to fully realize the Bank's growth potential to deliver sustainable and increasing results in line with the strategic priorities. The key strategic areas towards achieving this objective are:

Exploitation of market opportunities as well as the Bank's untapped existing customer base potential for the promotion of lending and fee-generating products & services, through a revamped customer-centric growth model;

Restructuring, mobilization and service excellence of the Bank's extensive, nationwide branch network to drive results;

Delivery of new and innovative products & services, as well as redesigning existing ones, to meet dynamic customer demand; and

Leverage of technology to expand the Bank's digital offering as a means for providing more and better services to customers, enabling migration of transactions to digital channels, and providing an engine for robust future growth.

Activity

2019 was a reference year for the Retail Banking Division. The Transformation Program continued at an increased pace, with a broad range of tactical and strategic initiatives being delivered. Hence, in 2019, the Retail Banking Division displayed solid growth, supported by the implementation of the following key initiatives:

Customer-centric service model: The new customer-centric service model aims to strengthen customer's relationship with the Bank through increased product penetration and services usage, by featuring dedicated relationship managers for high-value customer segments, as well as targeted customer propositions based on advanced analytics. Towards this direction, the "Go4More" program was also significantly upgraded in order to increase customer loyalty and engagement.

Mortgage Lending: The Bank launched new mortgage loan products with the most important being the long-term fixed-rate loan ("Estia 10/ 15/ 20/ 25 or 30 Years Fixed Home Loan"). Other products introduced included the low installment program ("Estia Low Start Home Loan") and mortgage-repair or renovation loan without mortgage pre-notation, for clients who wish to perform home upgrades without being obliged to provide a pledge ("Estia Home Renovation Loan").

Moreover, the Bank completed preparations for boosting the mortgage lending business in 2020 through partnering with main market brokers. Finally, the simplification & acceleration of mortgage lending processes led to the significant improvement of end-to-end servicing and response times.

Consumer Lending: The Bank expanded its lending business through new partnerships with market-leading retailers while continuing to grow existing key partnerships.

Small Business Lending: a revision of processes commenced within 2019, aiming to significantly reduce service and turn-around times.

Cards (debit, credit and prepaid cards): Cards issuing performance was supported by the expansion of sales channels, through the onboarding of external contact centers combined with targeted sales campaigns. On the other hand, the expansion of collaborations with merchants led to a significant increase in both acquiring volumes and market share.

Deposits, Investments and Bancassurance: The Bank introduced deposit bundles as part of the strategy to provide optimum and integrated services to its customers and modernize products. These deposit bundles address both individuals and businesses, offering depositors a variety of fee-based packages, which provide additional services.

Bancassurance showed strong results across the entire range of products offered (health, life, fire, auto, cards and loans insurance).

Private Banking: Assets under management grew significantly as a result of the increased appetite for investment products and services due to market conditions (i.e. the change in the economic sentiment regarding Greece and the low interest rates in term deposit that lead clients to seek alternatives for better yielding options) and an even further increase in the share of wallet, supported by the relationship managers' efforts and enhanced by an effective synergies strategy between Private Banking, Corporate and other Retail segments of the Bank.

Branch network: Optimization of branch network footprint and migration of transaction to ATM/APS continued, with targeted unit mergers. At the same time, key business processes were re-engineered, in order to improve customer experience and allow staff to devote more time and attention towards customer-servicing activities. The Branch network also contributed significantly to the restructuring of the retail NPE portfolios and provided support in all stages the NPE portfolio sales initiatives, through a dedicated and specialized structure of "NPE Hubs".

Digital business: The Bank introduced remote customer digital onboarding. New customers acquired their first deposit account, a debit card and digital credentials via a fully online process through their mobile phone. NBG was the first Bank in the Greek market to launch such a service.

A new Internet service was introduced while, in parallel, a new Mobile Banking service (application) was launched, offering many of the new internet banking functionalities in order to ensure a consistent journey throughout channels.

Furthermore, the Bank strengthened its digital offering by providing customers with the ability to acquire basic products (e.g. debit card) through internet and mobile banking, thereby expanding the Bank's sales channels and amplifying customer digital engagement. The continued focus to migrate simple transactions to digital channels led to a significant decrease in relevant Branch Teller transactional volumes.

Finally, the Retail Banking Division managed to further reduce operating expenses, both through strategic initiatives (such as Branch Network unit mergers), as well as an exemplary expense discipline.

2020 Priorities

In 2020, the Retail Banking Division will continue its Transformation Program, developing strategic areas in order to increase business volumes, support net fee and commission income, leverage all channels to deliver results, and create value from its robust and loyal customer base. Specifically, there will be efforts to:

Intensify branch network mobilization as the key results delivery channel, with a focus on performance management & service excellence. Improve branch network image and continue to reallocate time and effort to customer-servicing activities by migrating transactions to digital and re-engineering processes;

Maintain a loyal and low-cost deposit base;

Increase investment product penetration and enhance product offering by enabling open architecture capabilities for the branch network;

Re-design the small business value-proposition;

Continue to grow Private Banking business through an upgraded service model and by capturing market opportunities;

Increase lending through further partnerships and re-engineering of credit processes to speed-up application-to-disbursement times, simplifying and upgrading customer experience;

Launch new tailor existing products to meet emerging demand;

Enhance the digital offering by providing new/upgraded products and services through digital channels, increasing customer engagement and active users;

Maintain a low cost-base through expense discipline and centralization of selected back-office activities.

Mobile Application Waiz

NBG was the first Greek bank to launch a mobile aggregator, under the new brand name, Waiz. The mobile application was launched in October 2019 under the concept of Account Information Services provided in the European Payments Directive PSD2. Waiz allows users to see their balances and transactions from their accounts and cards in multiple Greek and Digital banks. As such, the service is available for anyone that hold accounts in any of the aggregated banks. Run by a small and agile team, Waiz aims to establish a new type of relationship with Greek banking customers by providing users with relevant, personalized and insightful information presented in a fresh, dynamic and playful way. Waiz aims to evolve according to users' preferences, growing and at the same time becoming better. With Waiz, NBG aims to enhance its pioneering digital offering, providing customers with innovative and unconventional services.

Corporate and Investment Banking

2019 Highlights

Significant reorganization in 2019.

Substantial expansion of Structured Finance portfolio and respective fee and commission income.

Optimal utilization of personnel.

Effective management of risks.

Expanding cooperation with selected customers.

Improving cross-selling.

Strategic areas

2019 has been a year of significant reorganization and reformulation of the business strategy and priorities of the Corporate & Investment Banking Division ("CIB"), following the division's organization restructuring at the end of 2018.

The main objective of the CIB business is to provide its clients with tailor made solutions, acting as their main partner bank to facilitate their growth plans, fully meet their needs in respect of credit and non-credit products and services, while generating value for both sides of the banking partnership, thereby ensuring sustainable revenues and profitability of the Bank.

The Bank offers corporate clients a wide range of products and services, including financial and investment advisory services, deposit accounts, loans denominated in euro and other currencies, foreign exchange services, standby letters of credit and financial guarantees, insurance products, custody arrangements and trade finance services.

Activity

In this context, CIB has embarked in a transformation journey focusing on becoming the bank of choice with superior coverage product, client experience and processes. Through the Transformation Program, the CIB are revamping the coverage and service model in order to meet our client needs, offer a unique experience through new digital capabilities and enhance our business intelligence capabilities/ tools, in order to create incremental value for our clients and our shareholders. In 2019, CIB focused on the following areas:

the targeted reformulation of the strategy per customer, stepping up customer-focused coverage and optimizing synergies with NBG's specialist product teams, thereby broadening the scope of cooperation with selected customers and increasing market share;

optimum utilization and development of personnel with a view to fostering best possible performance in every job role, providing opportunities for career development and creating an environment that generates motivation and professional advancement;

detailed mapping and targeting of needs and opportunities per sector as well as per individual customer, offering solutions for credit and other needs, and playing a leading role in major transactions;

effective management of risks through timely initiatives and using the know-how and experience of the people in the division;

providing assistance by qualified employees of the division to the working groups of the all-important Transformation Program of the Bank.

In 2019 the following were achieved:

cooperation with selected customers has expanded, especially in the energy and infrastructure sectors, while the CIB has played a key role in helping these customers to achieve their strategic goals;

a significant increase in net lending – despite tight credit conditions in the market – and a broadening of NBG's market share in serving the credit and non-credit customer needs covered by the CIB's operations;

the CIB's portfolio presented growth reflecting improved cross-selling and the creation of the right conditions for sustainable growth of income and profitability for 2019;

the CIB has stepped up training for the Division's staff and cooperation with the various product divisions of the Bank by holding workshops and setting up joint working groups.

Corporate banking includes the following divisions:

Large corporate: Large Corporate portfolio is being handled by two separate divisions with distinctly separate structure and clientele. One division deals with large groups and companies from €200 million annual turnover and above (on a consolidated basis). The other division focuses in mid-capitalization companies (with €50 million to €200 million annual turnover) and other specialized categories (such as intragroups, Greek state related entities etc.).

Due to intense competition and cheaper alternative funding sources pursued by companies, large groups' portfolio suffered increased repayments during 2019. However, utilizing our personnel's knowhow and providing consistent support to our customers' needs, portfolio levels were kept relatively intact. In addition to that, our sectoral expertise and our ability to offer tailor made solutions and coverage, led to a significant growth in our footprint in several sectors, including Pharma, F&B and Hospitality.

Structured Financing: In 2019 the revamp of the Structured Financing business that commenced in 2018 continued by upgrading it to a core growth arm of the CIB. Structured Financing focuses on originating, managing and executing wholesale, event-driven primarily, financings across four pillars:

Energy Project Finance	**Real Estate Finance**
Concessions Project Finance & Advisory	**Leveraged Acquisition Finance**

Transactions are mostly executed on a non-recourse basis, either in bilateral or syndicated format, mobilizing the team's in-house placement capabilities, as required. Beyond customary support of local sponsors, Structured Financing is particularly focused on facilitating foreign direct investment of international sponsors in Greece across the aforementioned financial sectors.

Through a dedicated team of 16 professionals with international structuring, financing and advisory background, Structured Financing represents a major budget carrier within CIB both from a net credit growth and a profitability perspective. In 2019, Structured Financing marked a net credit growth of approximately 70% y-o-y, supported by both FDI growth and increased domestic sponsors' financing activity.

Medium-Sized Businesses ("SME"): A significant increase in lending to SME occurred in 2019, tapping the accelerating credit demand of Greek businesses and providing tangible support to the Greek economy.

This reflects the improving financial environment, but mainly the Bank's long-term strategy to ensure a steady flow of liquidity to businesses that continue to invest in competitiveness and innovation, while promoting extroversy. At the same time, the Bank participated in several favorable business financing programs in cooperation with European organizations, such as the European Investment Bank and the European Investment Fund.

Shipping Finance: Greece is one of the world's largest ship owning nations with a long-standing tradition in shipping. Shipping has been one of the most important sectors of the Greek economy with the Bank being one of the key participants (including local and international Banks) in Greek shipping finance, the activities of which are carried out almost exclusively through its dedicated Piraeus based unit.

The Bank has traditionally provided long-term financing, mainly to shipping companies trading in the dry bulk and wet bulk sectors and, to a lesser extent to liner and ferry businesses, with a consistent view to minimizing risk and enhancing the portfolio's profitability.

During the course of the year, with a focus on asset quality and profitability, the Bank expanded its customer base by attracting new names in the Greek shipping industry, primarily in the markets of dry bulk and tankers. In addition, the Bank further leveraged the potential of its existing, high-quality clientele, expanding already successful partnerships.

Changes in the regulatory framework regarding the operation of vessels and environmental protection are still under way and are expected to impact the shipping markets over time. The Bank monitors closely the expected impact on the shipping industry from the imposed measures on reducing sulphur dioxide emissions as of 1 January 2020. Furthermore, the Bank is following technological developments regarding the gradual replacement of fossil fuels by more environment-friendly ones for ship propulsion.

In 2019, NBG experienced a significant growth in both new disbursements and repayments (of existing exposures) as a result of a very active second hand vessels market.

2020 Priorities

Leveraging the Bank's strong human capital and product structuring capabilities, along with a revised coverage and service model, CIB focuses on:

- further growing the SME segment in strategic sectors with growth potential;
- maintaining a leadership position in large Structured Finance transactions (i.e. Energy with focus in renewable energy, Real Estate, Leveraged Acquisition Financing, Infrastructure);
- maximizing the Bank's share of wallet across products in large groups; and
- expanding its presence in the traditional mid-sized Greek shipping companies segment.

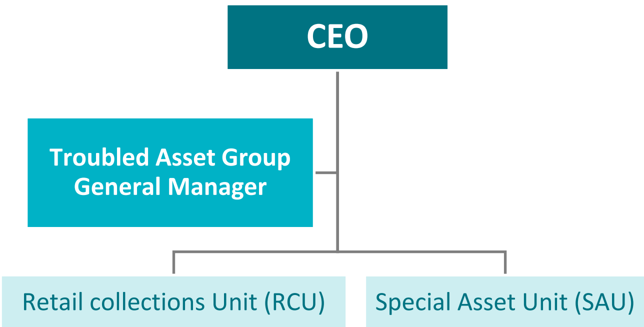
To this end, the main targets of CIB are:

- to further develop cross selling by expanding and deepening partnerships across the entire range of products and services offered to our customers, with a particular focus on transactional banking and non-capital intensive revenue streams;
- to further grow the corporate portfolio, increasing the share of banking cooperation on a selective basis (especially in the SME segment) and forging sustainable growth of revenues and profitability;
- to maintain our focus on providing credit to healthy, export-oriented medium-sized businesses. Special emphasis is placed on business sectors such as tourism, logistics, pharmaceutical manufacturing (particularly generics), Agrifood with domestic and export orientation, as well as, packaging;
- to be the leading player in major development transactions, and generally support sustainable investment projects that generate value for our customers and the economy as a whole;
- to empower our corporate coverage teams, freeing-up time to focus on client support/ advisory and new business development;
- to attract and retain talent while further developing our people;
- to further improve our clients' experience and retain costs by streamlining our credit underwriting and client on-boarding processes;
- to maintain top-class levels of risk management and sound risk culture;
- to enhance digital channels' capabilities and introduce self-service functionalities;
- to further diversify our credit exposure and income generation drivers, especially in Large Groups and Shipping;
- to expand our shipping portfolio maintaining the quality of clients and collaterals and at pricing and terms that will allow to enhance our profitability, always taking into account the developments and the long term prospects of the shipping markets;
- to grow our Investment Banking business;
- to remain committed in advancing NBG's Transformation Program and the rapid deployment of the actions and strategic targets set out therein;
- to enhance the financing tools available to businesses, expanding our cooperation with the European Investment Bank, the European Investment Fund and the Hellenic Development Bank;
- to focus on the development and marketing of new products and services, targeting at enhancing business access to programs with favorable financing terms, while offering tailor-made solutions that meet businesses' financial needs.

NPE management (Troubled Asset Units)

The Bank has established two dedicated and independent internal units, one responsible for the management of the Bank's retail loans (the Retail Collection Unit ("RCU")) and the other for the Bank's corporate delinquent exposures (the Special Assets Unit ("SAU")). The two units have the end-to-end responsibility for their respective troubled asset exposures. Regarding corporate governance, the units report to the General Manager – Head of Troubled Assets Group, as well as to a dedicated Arrears and non – performing loans ("NPL") Management Committee, which in turn reports to the Board Risk Committee. Furthermore, there are tangible Group initiatives regarding the management of real estate, related to workout actions (auctions, foreclosures and repossessions) with strong involvement of the Group Real Estate Management experts and the monitoring by the Senior Executive Committee.

The Bank is continuously enhancing its NPL and NPE management strategies whilst augmenting its operational capabilities towards accomplishing the Bank's objective of reducing its NPL and NPE stock.



Total NPE portfolio at Group level amounted to €10.9 billion as at 31 December 2019 compared to €16.3 billion as at 31 December 2018. The decrease of €5.3 billion has been attributed to both organic and inorganic actions outperformed by €0.9 billion in the context of NPE reduction targets as submitted to the SSM in March 2019 for the period 2019-2021 (see "*Key developments- Successful execution of Bank's NPE reduction strategy delivers balance sheet strength - NPE reduction targets*").

Corporate Special Assets management

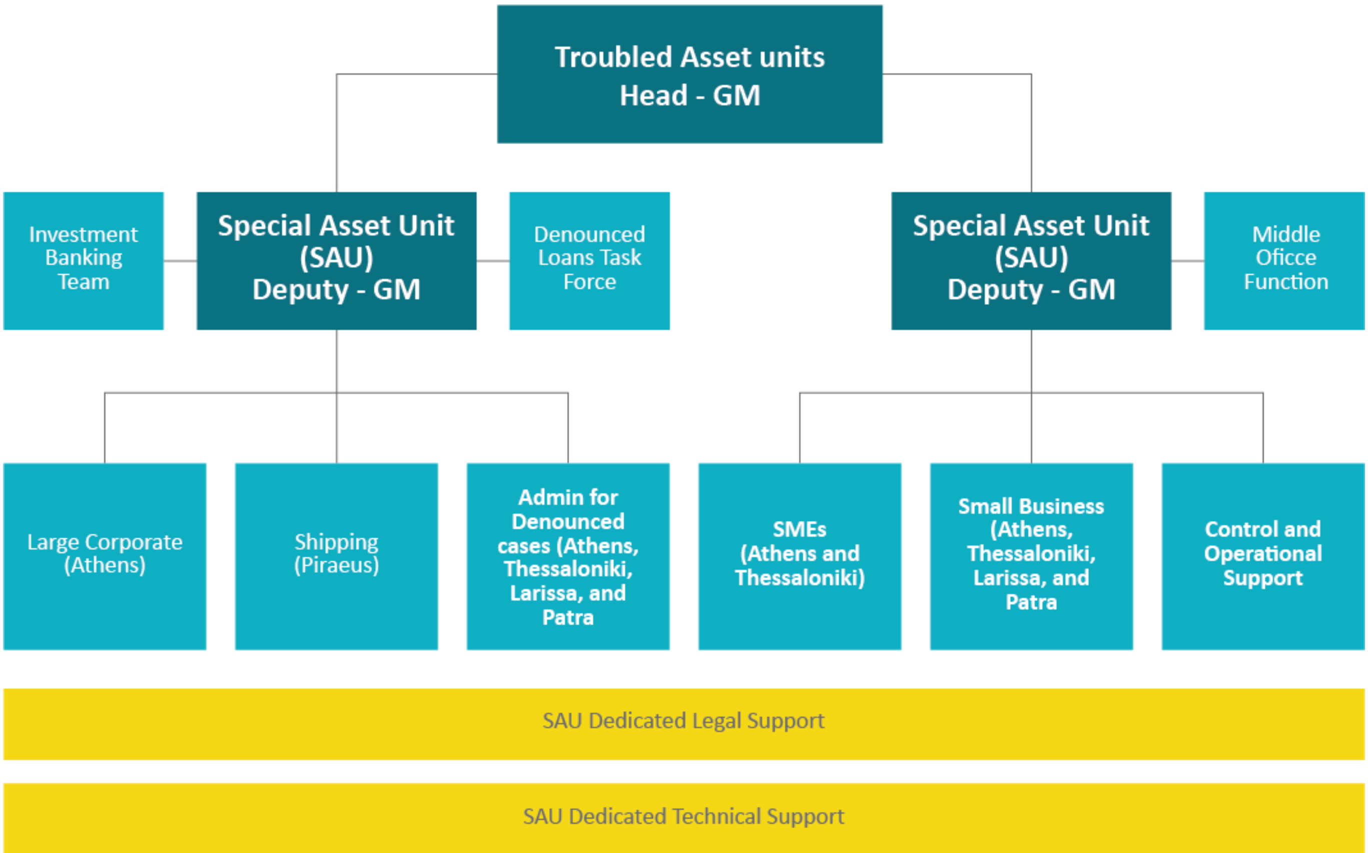
SAU | Organizational Structure

The Special Assets Unit ("SAU"), established in June 2014, is an independent and centralized unit, with end-to-end responsibility for the management of Large Corporate, SME, Shipping and Small Business Loan ("SBL") (exposure with NBG above €150 thousand) NPEs.

SAU consists of seven divisions and subdivisions, four of which focus on borrower's management and three are support units. Borrowers are segmented into four categories based on the following criteria:

- **Large Corporates ("LCs"): Group of customers with annual turnover above €50 million, or initially originated from the Large Corporate Division and complex deals.**
- **SMEs: Customers with annual turnover between €2.5 million and €50 million, or Small Business ("SB") with total exposure to the Bank exceeding €1 million, or initially originated from the SME Division.**
- **SBs: Customers with annual turnover up to €2.5 million and total exposure to the Bank up to €1 million, or initially originated from the SB Division.**
- **Shipping**

The organisational chart of SAU is set out below:



SAU | Organic Actions for the reduction of NPEs

Significant progress has been made during the last years towards addressing the issue of corporate NPEs in order to support the recovery of distressed, but cooperative and viable borrowers. The main initiatives can be summarized as follows:

- Tailored made restructurings aiming to reduce the debt repayment obligations to sustainable levels;
- Assessment of alternatives to reduce the bank debt, without, however, forgiving a possible future upside, achieved through debt-to-equity transactions, convertible bonds, issuance of preferred shares or through profit participating bonds;
- Debt-to-asset transactions or amicable asset sales aiming to reduce bank debt through the proceeds from the sale of non-core assets, usually as a part of a holistic solution of the obligor with the Banks;
- Further improvement of interbank cooperation supported by the NPL Forum initiative and Project Solar.

SAU uses a number of different forbearance, resolution and foreclosure measures, following international best practices, but tailored to the current economic and legal environment in Greece. Appropriate tools to measure the viability of debtors, fully integrated into the IT environment of the Bank, as well as net present value ("NPV") analysis for the prioritization of alternative modification solutions are also used. An internal Management Information Systems ("MIS") unit supports decision making and monitors performance.

A. Collaboration with the other banks

The two main interbank efforts to facilitate the timely management of corporate NPEs are the NPL Forum and the Solar Project.

i. NPL Forum

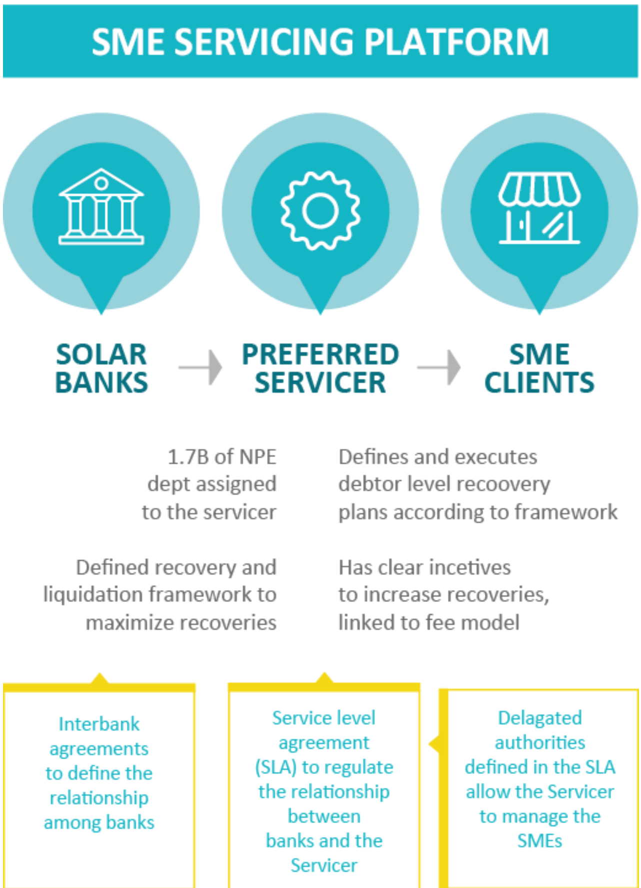
The four Systemic Banks have established the NPL Forum aiming to resolve corporate cases though the agreement of solutions acceptable by the Banks and the obligors. At the same time, the NPL Forum monitors the performance, as well as the smooth and timely implementation of the agreed solutions.

The NPL Forum is constituted of the heads of the corporate workout units from each of the participating Bank.

ii. Solar Project - Common SME Initiative

On 31 July 2018 the four Greek Systemic Banks launched Project Solar, a breakthrough servicing initiative to define a common management framework for SME NPEs. Project Solar aims to enhance the effectiveness and efficiency of SME NPE management across the Greek banking system. A servicer with international experience in projects of similar characteristics was appointed who has the mandate to manage a pool of common non-performing SME exposures of the four systemic Greek banks.

Within 2019 the servicer has submitted recovery plans for all debtors. The strategy for the whole portfolio has been reviewed and approved by the competent committees and in 34 of cases a restructuring plan has been approved by the four systemic credit committee ("Interbank Credit Committee"). The SME Servicing Platform is as follows:



B. Denounced Portfolio Management

The Bank denounces a loan contract when a borrower is in default and is non-cooperative and/or non-viable. The denouncement of a contract can also be decided due to the bankruptcy or dissolution of the debtor's company or initiation of legal actions against the borrower by other creditors. Although the primary strategy for the denounced portfolio is the recovery through the liquidation of collateral, settlement solutions are also available, even after the denouncement through amicable and viable arrangements.

In order to accelerate denounced portfolio management the Bank has established a taskforce team, which analyzes the portfolio, determines priorities in deployment of the necessary actions for liquidation of collaterals, coordinates the actions with legal and other involved divisions and monitors their timely implementation. In addition, appropriate internal processes were created and committees were established to assess the possibility of acquiring properties amicably or through public auctions, taking into account the value and marketability of the properties.

As a result, legal action were initiated/advanced for prioritized cases and, in 2019, 1,362 auctions were held out of 2,267 that were scheduled for the year.

SAU Inorganic Actions for the reduction of NPEs

The NPE Management Strategy includes several projects aiming to an expedited reduction of NPEs through inorganic actions (portfolio sales, as well as bilateral agreements mainly concerning Large Corporate cases). The portfolio sales concerning both RCU and SAU exposures are presented in section "*2019 RCU and SAU portfolio sales*".

Following the above actions the total SAU portfolio under management amounted to €3.0 billion on 31 December 2019 compared to €5.5 billion as at 31 December 2018 (a decrease of 45.5%), of which 44.0% corresponds to denounced balances.

Retail collections management

Established at the outbreak of the financial crisis in 2010, RCU is an independent and centralized unit focused on the management of delinquent, non-performing and denounced retail loans.

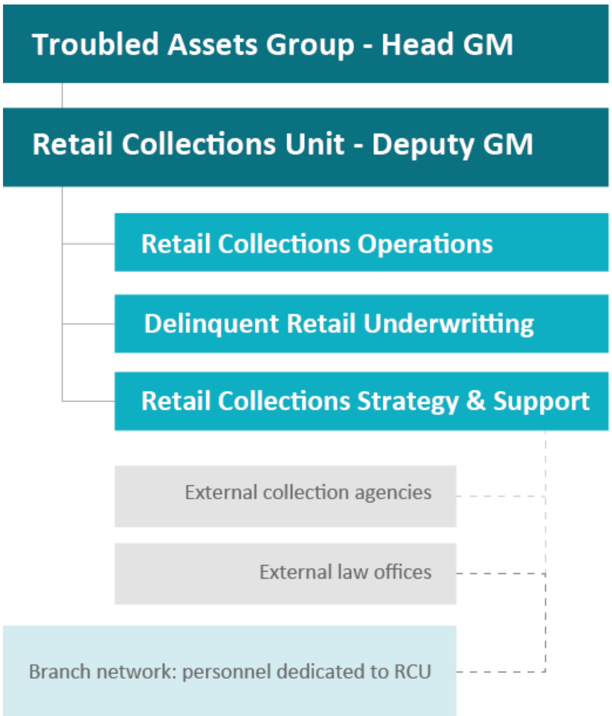
RCU consists of three Divisions, which focus on:

Collections operations, managing all the available client channels.

Delinquent Retail Underwriting, deciding the restructuring solution to be offered to each applicant.

RCU Strategy and Support, setting-up and coordinating the strategic initiatives of RCU and supporting the other Divisions.

The organisational chart of the RCU is set out below:



As at 31 December 2019, RCU had a total of 1,304 dedicated full-time employees ("FTEs"), including outsourced personnel, managing €8.9 billion of mortgage loans, consumer loans, credit cards and micro business loans (i.e. small business loans to entities with exposure <€150 thousand) compared to €9.3 billion as at 31 December 2018 that are:

A. 1+ days past due.

B. Current, yet classified as Forborne Non-Performing Exposures ("FNPE").

RCU leverages all possible channels to reach clients in financial difficulty and work with them towards finding viable solutions.

Such channels include:

Call centers
(internal collections center ("ICC") and external debt collection agencies ("DCAs"))

NPL Hubs
(specialized Branches within regular bank Branches)

Law offices
(external law firms and internal law office)

Mail

Bank Branches

Alternative channels
(SMS, website, etc.)

When managing retail delinquent loans, the following five main stages can be identified:

A set of initiatives took place in 2019 that supported the achievement of the reduction of the NPE perimeter. More specifically:

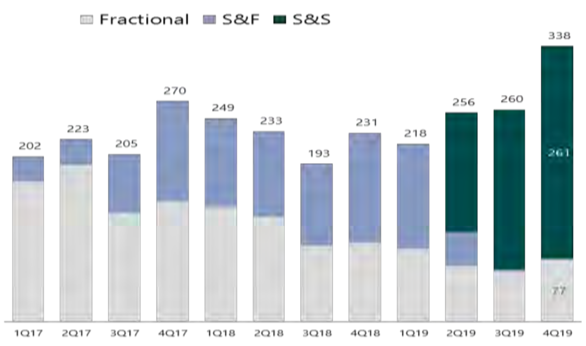
NPL Hubs: The NPL Hubs that were introduced in 2018 increased by two in 2019, reaching 44 locations. The NPL Hubs manage 78% of the portfolio and employ 230 FTEs.

New restructuring products: A new restructuring product, "Split & Settle" ("S&S") was introduced in mid-April 2019 as a substantially more efficient debt forgiveness resolution tool that would replace "Split & Freeze" ("S&F") product offering. The main characteristics of the S&S offering are:

- Simpler for clients to understand and for Branches to implement.
- Provides higher debt forgiveness compared to S&F.
- More affordable installment.

S&S restructurings supported the increase of the restructuring volumes by 55.0% (from the first to the fourth quarter of 2019) and the preliminary product efficiency is comparable with the latest S&F restructurings given.

The mortgage lending quarterly restructuring volume (in € million) is presented in the following graph:



Restructuring process centralization:

NPL Hub resources were released from back office tasks by the centralization of the restructuring process and were diverted to facilitate an improved restructuring process. Through the implementation of the centralization project:

- All channels can independently submit restructuring applications and collect all documents required, without having to ask clients to visit the Branch.
- "Algorithm", an automated decision support tool, is integrated in the restructuring workflow system and reduces the manual effort of underwriters and process duration.
- Customers visit the Branch only once for contract signature.
- Restructuring completion is implemented centrally by the Operations Department instead of burdening the Branches.

Strategy realignment:

During 2019, the Bank has:

- Improved incentive schemes for Branches / NPL Hubs and legal offices were introduced in 2019, leading to better alignment of monetary compensation with the NPE reduction targets.
- Multi-channel assignment of borrowers.
- Reallocation of assignment, based on benchmark analysis performed.

For 2020, RCU is further building upon the 2019 initiatives:

- the incentive scheme is redesigned giving focus on either collection or restructuring for specific segments.
- the product offerings are been realigned to ensure that restructuring applicants are committed to paying their debt.
- the product offerings are being consolidated reducing product offerings from 55 to 19.

Foreclosures / Auctions:

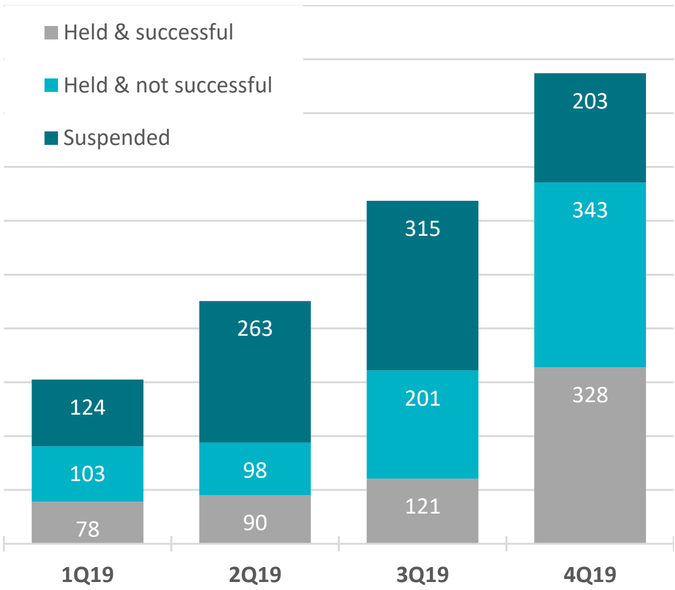
Auctions planned for non-cooperative clients ramped up over the course of 2019.

Auctions were canceled mainly due to:

- suspension by Bank's decision.
- clients seeking protection under Greek Law 3869/2010.
- law's provisions for elections.

Limited buying interest is the main root cause for 544 or 36.0% auctions that were not successful in the second half of 2019. The Bank is committed to continuing the liquidation for assets of non-cooperative clients. The number of quarterly auctions is presented in **Chart 1**.

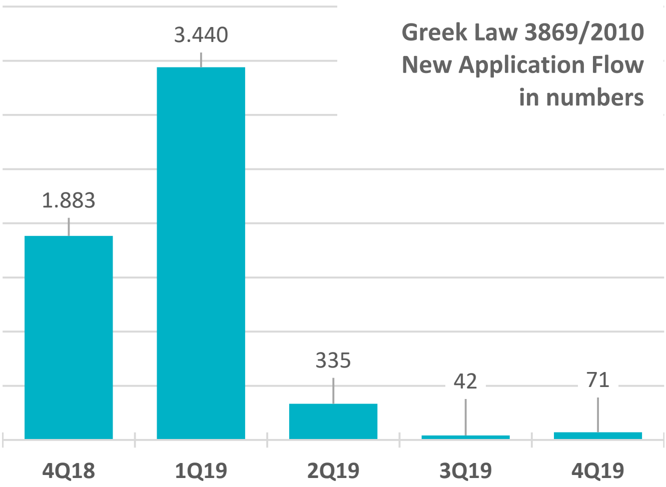
Chart 1



Greek Law 3869/2010

In April 2019, Greek Law 3869/2010 primary property protection has expired, leading to minimization of new number of application flows, as presented below in **Chart 2**.

Chart 2

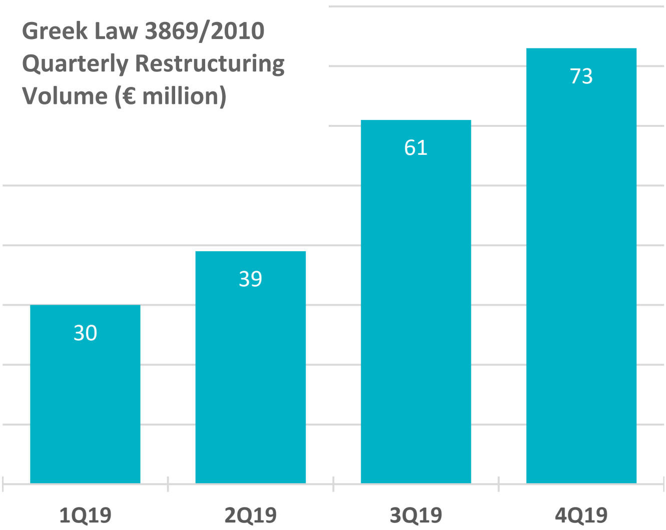


RCU has put increased emphasis on the active management of clients pending Greek Law 3869/2010 court decision by consulting clients under Greek Law 3869/2010 protection to find a viable solution customized to their needs. The Bank encourages clients to restructure their debts with the Bank offerings, after they willingly forfeit Greek Law 3869/2010 protection, avoiding the lengthy and uncertain court trial process.

Current results are encouraging, having completed €203 million of restructurings during 2019. The efforts will continue within 2020 and we expect the current trend to continue, as more clients come to realize that they are better off restructuring with the Bank as opposed to waiting for the court decision several years down the road.

The number of cases under Greek Law 3869/2010 is presented in **Chart 3**.

Chart 3



Greek Law 4605/2019

Greek Law 4605/2019 is the successor of Greek Law 3869 /2010, article 9 (protection of primary residence), that introduces:

- a pre-screening process;
- online decisions;
- government subsidy on the monthly installment with annual re-evaluation;
- predefined debt haircut above 120% of the residence market value;
- the payment plan agreed, if not adhered to, becomes enforceable title

The Greek Law 4605/2019 is planned to expire on 30 April 2020.

Although the initial indications were positive (58,600 users have utilized the Greek Law 4605/2019 platform), as of 17 January 2020 the interest has been transformed to only 1,368 borrower applications (all Banks).

2020 expected legislative changes

The Greek State is designing and legislating a new comprehensive insolvency framework (2nd chance, based on EU directive 1023/2019), that will cover private debt resolution (via restructuring or liquidation) of both individuals/ households and legal entities/merchants.

2019 RCU and SAU portfolio sales

For the concluded sale of portfolios see "*Key developments-Disposal of NPE portfolios*". The sale of the secured portfolio (Project Icon) is in process with a total principal amount of €1.6 billion. Non-binding offers Binding offers were received and the signing date is expected early April 2020.

Other

Global Transaction Services

NBG Global Transaction Services Division serves all customer segments covering Large Corporations, SMEs, Small Businesses, Individuals and Financial Institutions, offering these products including all type of Collections and Payments, Letters of Credit, Letters of Guarantee, and Supply & Trade Financing.

During 2019, Global Transaction Services ("GTS") has provided the market with €2.9 billion of credit instruments and €343 million of liquidity through Trade Financing.

The Bank maintains a leading market share in Import and Export products by SWIFT Traffic, as well as in local payments.

In the context of the Bank's strategy for improving operational efficiency and utilizing GTS' expertise, the centralization of domestic letter of guarantees and Document Collections' processing is in progress. GTS has launched the Digital certificate project, which is within analysis phase aiming to improve customer experience and offer fast track services.

We consistently exploit and innovate structured solutions under International Trade Facilitation Programs ("TFPs"), enabling Greek corporates to access alternative financing channels with favorable cost.

As a result, NBG GTS continues to gain global recognition from clients and business partners across all industries.

Supported by industry Experts, Analysts, and Greek companies' (Corporates & SMEs') votes in Euromoney Trade Finance Survey 2020, we were granted 2 Awards: Market Leader, and Best Service in Greece.

NBG GTS has also been named for the 7th times "Best Trade Finance Bank" by the internationally acclaimed "Global Finance" magazine.

Swift Global Payments Innovation (GPI) implementation for cross-border payments is ongoing, aiming to offer transparency and on-time tracking. GPP upgrade is in a pre-UAT stage as an interim step of Pan European Instant Payments implementation.

GTS Trade Finance hub set up in NBG Malta is under development in cooperation with local management.

Leveraging on NBG's competitive strengths, GTS plan to engage stronger cross-unit partnerships, under the Bank's transformation pillars and initiatives, to achieve increased penetration in existing customers' wallet as well as target new clients improving profitability.

Leasing

The Bank began its leasing activities in 1990 through its subsidiary, Ethniki Leasing and since July 2013, after the acquisition of Probank Leasing from the Group. Ethniki Leasing leases land and buildings, machinery, energy parks, transport equipment, furniture and appliances, computers and communications equipment. Probank Leasing has come to recession and gradually stopped new contracts.

Factoring

The Bank has been active in the provision of factoring services since 1994. In May 2009, Ethniki Factors was established as a wholly owned factoring subsidiary of the Bank, as part of its strategic decision to expand its factoring operations in Greece. Ethniki Factors offers a comprehensive range of factoring services to provide customers with integrated financial solutions and high quality services tailored to their needs.

Brokerage

National Securities S.A. ("NBG Securities") was established in 1988 and constitutes the brokerage and investment banking arm of the Group. NBG Securities offers a wide spectrum of integrated and innovative investment services to both individual and institutional customers. The NBG Securities aims at providing investment services tailored to the needs of its clients.

The implementation of the European Directive Markets in Financial Instruments Directive ("MiFID") II was a milestone for the industry. For NBG Securities, this directive triggered a series of changes that included, among others, the redesign of internal governance processes, the update of analysis products and services, as well as the renewal of our communication with clients, investors and the market.

Having successfully completed a series of actions in the context of Transformation Program, in 2019 NBG Securities aims to enhance its competitiveness through initiatives such as:

- further exploiting synergies with NBG and achieving economies of scale;
- accelerating its digital transformation, focusing on alternative channels /services: over the coming months, a state-of-the-art app for mobile trading is due to be launched, while a brand new web trading app should also become operational.

Asset Management

The Group's domestic fund management business is operated by NBG Asset Management, which is wholly owned by the Group and was the first mutual fund management company to be established in Greece. Set up in 1972, NBG Asset Management manages private and institutional client funds, made available to customers through the Bank's extensive branch network. The Company's objective is to achieve competitive returns in relation to domestic and international competition.

As of 31 December 2019, total assets under management in mutual funds and discretionary asset management amounted to €1.5 billion, with NBG Asset Management maintaining a market share in mutual funds in Greece of 10.7% (Source: Hellenic Fund and Asset Management Association—report of 31 December 2019). The number of clients serviced by NBG Asset Management are in excess of 38,000, including 60 Institutional investors.

€ million	2018	2019
Mutual Funds under management	802	838
Discretionary Funds under management	550	688
Total Funds under management	**1,352**	**1,526**
Market Share	**13.2%**	**10.7%**

The 21 mutual funds of NBG Asset Management, among them four in Luxembourg, cover a wide range of investment categories (Equity, Bond, Balanced and Fund of Funds) in Greece and International markets. Such wide spectrum of investment products gives great flexibility to investors who wish to build their personal investment plan according to their investment profile and objectives through mutual fund portfolios with a high degree of diversification.

In addition to mutual fund management, NBG Asset Management offers the following services for institutional and private investors:

- Discretionary Portfolio Management Investment Services;
- Advisory Services;
- Administration and Safekeeping of Undertaking Collective Investment Transferable Securities ("UCITS") units.

It also offers a range of financial products and services that cover the needs of:

- Social Security / Pension Funds;
- Insurance companies;
- Corporates.

Real Estate

In 2019, Group Real Estate Function further expanded its activities and accelerated its efforts to contribute to the Bank's NPE reduction strategy, included as an initiative in the Healthy Balance Sheet Workstream as part of the Transformation Program (see section "*Transformation Program*), in which Real Estate plays an active role through the repossession and sale of foreclosed assets.

Since 2018, Group Real Estate Function has expanded beyond its traditional real estate management activities to assist the Bank in its NPE reduction effort. In this context, and in line with the Transformation Program, a dedicated real estate owned assets ("REO") Division was established in July 2019, within the Group Real Estate Function for the efficient management of assets throughout the REO life cycle, from onboarding to monetization. To increase REO management efficiency, the new division has acquired THESIS, an integrated IT platform for managing REOs, supporting the full REO cycle through workflow functionality. Moreover to further boost its sales operations, the Bank has updated its commercialization policy, incorporating new sales strategies for higher volumes (including cluster sales) and elements of business agility, multiple distribution channels including real estate agents as well as digital solutions such as electronic tenders, whilst maintaining full transparency and competitiveness in its processes.

In 2019 Group Real Estate surpassed its REO sales target and achieved a record year with respect to monetization of NBG Group Properties held for sale, in addition to commercialization of landmark buildings in its portfolio via long term leases.

For the purpose of promoting sales of REOs and other Group properties, the Bank has activated an online portal (www.realestateonline.gr) which was the first site in Greece to promote public e-auction assets by displaying properties scheduled to be auctioned and posted on www.eauction.gr. The portal is currently upgraded to support live electronic tendering of selected REOs, through a 100% online competitive bidding process allowing for transparency and flexibility in real estate transactions.

Activities outside Greece

As at 31 December 2019, the Bank's international network comprised 68 branches (including foreign subsidiaries and Bank branches in the United Kingdom and Cyprus), which offer traditional banking services and financial products and services. The Bank has also two commercial banking subsidiaries, in North Macedonia and Malta. The Bank's banking subsidiary in Cyprus, and the branch in Egypt are classified as non-current assets held for sale.

The Bank's international operations accounted for €2.0 billion or 3.4% of the Group's total assets excluding non-current assets held for sale as at and for the year ended 31 December 2019. Loans and advances to customers were €1.2 billion at 31 December 2019, whereas deposits "Due to customers" amounted to €1.4 billion at 31 December 2019.

Discontinued operation as of 31 December 2019

Our discontinued operations and non-current assets held for sale as at 31 December 2019 comprise of our subsidiary in the insurance sector NIC, our banking activities in Cyprus and Egypt, NBG Cyprus and NBG Cairo Branch and our credit acquiring subsidiary in Cyprus: CAC Coral Ltd.

Related Party Transactions

Based on the existing regulatory framework, the Group must disclose any transaction between the Bank, its subsidiaries and all its related parties as defined in IAS 24 "Related Parties", which took place during the year ended 31 December 2019. Management's total compensation, receivables and payables must be also disclosed separately. For further details, see Note 42 of the Financial Statements. The following table presents the transactions between the Bank and its subsidiaries, while there are no significant transactions with its associates. Regarding the transactions with the Bank's main shareholder HFSF, other than the ordinary shares issued by the Bank and held by HFSF, no material transactions or balances exist with HFSF.

Subsidiaries

(€ million)	Assets	Liabilities	Income	Expenses	Off Balance Sheet (net)
National Securities S.A.	3	54	2	1	25
NBG Asset Management Mutual Funds S.A.	1	22	3	-	-
Ethniki Leasing S.A.	424	7	12	-	261
NBG Property Services S.A.	-	1	-	-	-
Pronomiouhos S.A. Genikon Apothikon Hellados	1	31	-	3	1
NBG Greek Fund Ltd	-	8	-	-	-
National Bank of Greece (Cyprus) Ltd*	5	171	1	2	2
NBG Management Services Ltd	2	-	-	-	-
Stopanska Banka A.D.-Skopje	4	-	2	-	-
NBG International Ltd	-	20	-	-	-
NBG Finance Plc	-	55	-	-	-
NBG Asset Management Luxembourg S.A.	-	-	-	-	-
Innovative Ventures S.A. (I-Ven)*	-	-	-	-	-
Banca Romaneasca S.A.**	-	-	1	1	-
Ethniki Hellenic General Insurance S.A.(Group)***	54	362	21	7	7
KADMOS S.A.	-	-	-	-	-
DIONYSOS S.A.	-	-	-	-	-
EKTENEPOL Construction Company S.A.	-	-	-	-	-
Mortgage, Touristic PROTYPOS S.A.	1	-	-	-	-
Hellenic Touristic Constructions S.A.	-	-	-	-	-
Ethniki Ktimatikis Ekmetalefsis S.A.	-	-	-	-	-
NBG International Holdings B.V.	-	4	-	-	-
NBG Leasing IFN S.A.	5	-	1	-	-
NBG Finance (Dollar) Plc	-	280	-	-	-
NBG Finance (Sterling) Plc	-	118	-	1	-
NBG Bank Malta Ltd	42	86	1	2	39
Ethniki Factors S.A.	370	30	11	-	409
NBG Pangaea REIC*****	-	-	-	26	-
ARC Management One SRL (Special Purpose Entity)	-	-	-	-	-
ARC Management Two EAD (Special Purpose Entity)	-	-	-	-	-
Probank M.F.M.C.	-	2	-	-	-
I-BANK DIRECT S.A.	-	1	-	-	-
Probank Leasing S.A.	49	7	1	-	-
Probank Insurance Brokers S.A.	-	1	-	-	-
Bankteco EOOD	-	-	-	-	-
CAC Coral Limited	98	-	2	-	26
Total	**1,059**	**1,260**	**58**	**44**	**770**

**Liquidated on 7 May 2019.*
***Deconsolidated on 30 December 2019.*
****Held for sale subsidiaries.*
*****Disposed on 23 May 2019.*

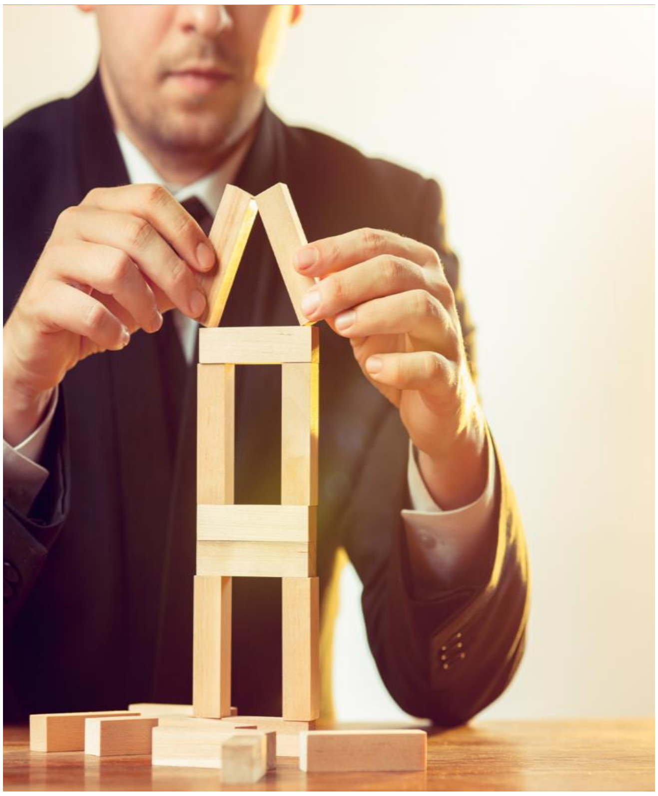
The External Auditors

The Board of Directors' Audit Committee reviews the independence of the external auditors, as well as their relationship with the Group, including monitoring mandates for non-audit services and the amount of audit and non-audit fees paid to the auditors. In accordance with the requirements set by the Amended Relationship Framework Agreement[22], the Bank has to rotate its auditors every five years. The appointment of PwC was approved by the 2017 Annual General Meeting of the NBG Shareholders held on 30 June 2017 who elected PwC for the first time to undertake the audit/review of the Annual and Semi-Annual Financial Statements of the Bank and the Group for the year 2017. The Annual General Meeting of the NBG Shareholders held on 31 July 2019 re-elected PwC to undertake the audit/review of the Annual and Semi-Annual Financial Statements of the Bank and the Group for the year ended 31 December 2019.

For information regarding the Independent auditor's fees, see Note 45 of the Financial Statements.

[22] As a result of recapitalizations in 2013 and 2015, the HFSF and the Bank entered to a revised Relationship Framework Agreement dated 3 December 2015 (the "Amended Relationship Framework Agreement"), which amended the initial Relationship Framework Agreement dated 10 July 2013 between the Bank and the HFSF (the "Relationship Framework Agreement").

Risk Management



The Group, as an international organisation operating in a rapidly growing and changing environment, acknowledges its exposure to risks and the need for these risks to be managed effectively. Risk management and control forms an integral part of the Group's commitment to pursue sound returns to its shareholders.

Risk management and control plays a fundamental role in the overall strategy of the Group, aiming to both effectively manage the risks of the organization and to align with the legal and regulatory requirements.

The Group aims at adopting best practices regarding risk governance, taking into account all relevant guidelines and regulatory requirements, as set by the Basel Committee on Banking Supervision, the EBA, the ECB\SSM, the Bank of Greece, the Hellenic Capital Market Commission ("HCMC") legislation, as well as any decisions of the competent authorities supervising the Group's entities.

Group Risk Management Governance Framework

(Audited)

Group Risk management at NBG has a structured and tiered approach, based on a number of governance bodies, internal policies and procedures, and controls framework.

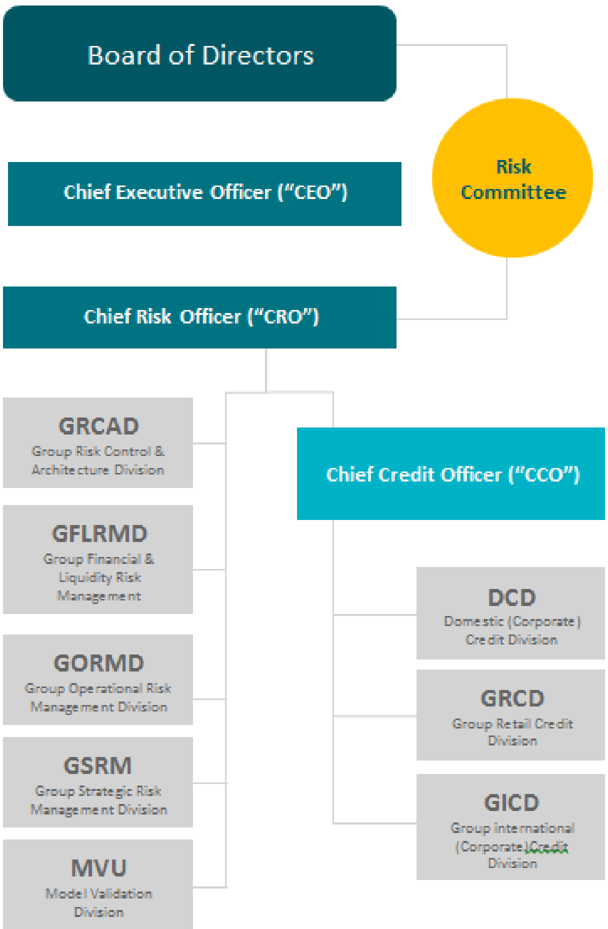
The Board of Directors bears ultimate accountability for NBG's risk position. It signs off on the risk strategy and risk appetite, and monitors the effectiveness of risk governance and management advised by its two specialized committees: the Board Risk Committee ("BRC") and the Board Audit Committee. The Bank's Executive Committee and other committees supporting the Executive Committee are in charge of daily management actions and steer of the business. The Group Chief Risk Officer ("CRO") is a member of the Executive Committee. The CRO has direct access to the Board of Directors, has delegated decision-authority for executive matters over risk and leads the Risk Management Function. Please see section "*Corporate Governance Statement—Board of Director's Committees – Board Risk Committee" and "Management, administrative and supervisory bodies of the Bank-Executive Committees*".

The Group Risk Management Function has specialized teams per risk type. The Group Risk Management Function's teams conduct day-to-day risk management activities according to policies and procedures as approved by the BRC, the Senior Executive Committee and other executive committees. The perimeter is based on the industry standard "Three Lines of Defence" model. The Group Risk Management Function's activities are supported by underlying systems and infrastructure. Finally, risk culture is viewed as a core component of effective risk management, with the tone and example set by the Board of Directors and senior management. Objective of the Bank is to establish a consistent risk culture across all units.

The Group's risk management is spread on three different levels, in order to create three lines of defence. The duties and responsibilities of all lines of defense are clearly identified and separated, and the relevant units are sufficiently independent. For the three lines of defence please refer to section "*Corporate Governance Statement - E. Internal Control System and Risk Management*".

The Group Risk Management Function

The organizational chart and reporting lines of Group Risk Management Function are depicted in the figure below:



The CRO reports to the CEO, has direct access to the BRC and is its main rapporteur. The CCO, is operating under the CRO, supervises three Credit Divisions, as above, which are involved in the credit approval process for the Group's corporate banking, retail banking and subsidiaries portfolios.

Group Risk Management

The Bank acknowledges the need for efficient risk management and has established four specialized Divisions and one Unit: the GRCAD, the GFLRMD, the GORMD, the GSRM, and the MVU, to properly measure, analyse and manage the risks entailed in all its business activities. All risk management units of the Group subsidiaries adequately report to the aforementioned Divisions/Unit.

In addition, the three Credit Divisions, which are independent of the credit granting units, are involved in the credit approval process for the Group's corporate banking, retail banking and subsidiaries portfolios. They perform an independent assessment of the credit risk undertaking in respect of each portfolio and have the right of veto.

Based on its charter, the mission and the constitution of each Divisions/Unit are as follows:

GRCAD

The mission of the GRCAD is to:

- specify and implement credit risk policies emphasizing on rating systems, risk assessment models and risk parameters, according to the guidelines set by the Bank's Board of Directors;
- establish guidelines for the development of methodologies for Expected Credit Loss ("ECL") and its components, i.e. Probability of Default ("PD"), Loss Given Default ("LGD") and Exposure at Default ("EAD") for each segment of corporate and retail asset class;
- implement a number of clearly defined and independent credit risk controls on credit risk models, which enable an effective oversight of risks emerging from credit activities at all levels. These controls are documented and communicated to the business units on a quarterly basis. GRCAD itself monitors these same controls on a quarterly basis, assuring they are operating effectively and remain altogether sufficient for the purposes they were established;
- provide regular assurance that models continue to perform adequately, thus complementing the periodic validation and usage reviews;
- assess the adequacy of methods and systems that aim to analyze, measure, monitor, control and report credit risk undertaken by the Bank and other financial institutions of the Group; and
- estimate Regulatory Capital required in respect with Credit Risk and Internal Capital required in respect to all banking risks and prepare relevant regulatory and Management Information System ("MIS") reports.

The GRCAD consists of the:

- Credit Risk Control Sector, which in turn consists of the Credit Risk Control Subdivision and Credit Risk Internal Reporting and the NPE Independent Review Subdivision;
- Corporate Credit Risk Model Development Subdivision;
- Retail Credit Risk Model Development Subdivision;
- Credit Risk Regulatory Reporting Subdivision;
- ICAAP, Stress Testing and Risk Management Regulatory Framework Monitoring Subdivision; and
- Risk Management Operations Support Subdivision.

GFLRMD

The mission of the GFLRMD is to:

- plan, specify, implement and introduce market, counterparty, liquidity and Interest Rate Risk in the Banking Book ("IRRBB") risk policies, under the guidelines of the Bank's Board of Directors;
- develop and implement in-house models for pricing and risk measurement purposes;
- run appropriate tests to ensure that the models continue to perform adequately, thus complementing the periodic validation reviews;
- assess the adequacy of methods and systems that aim to analyze, measure, monitor, control and report the aforementioned risks undertaken by the Bank and other financial institutions of the Group;
- independently evaluate financial products, assets and liabilities of the Bank and the Group;
- estimate Regulatory Capital required in respect with market risk and counterparty credit risk, calculate the regulatory metrics for Liquidity Risk and IRRBB and prepare relevant regulatory and MIS reports; and
- provide timely and accurate information to the Bank's senior competent bodies (the BRC and the Asset Liability Committee ("ALCO") and the Regulator (the SSM), with sufficient explanatory and investigation capabilities on the materiality and trend of the aforementioned risks, as well as handle all issues pertaining to market, counterparty, liquidity and IRRBB risks, under the guidelines and specific decisions of the BRC, the ALCO and the SSM.

The GFLRMD consists of the:

- Market Risk Management & IRRBB Sector which in turn consists of the Market Risk Management Subdivision and the IRRBB Management Subdivision;
- Liquidity Risk Management Subdivision;
- ILAAP Framework Monitoring Subdivision; and
- Counterparty Credit Risk Subdivision.

GORMD

The mission of the GORMD is to:

- design, propose, support and periodically validate the Operational Risk Management Governance Framework ("ORMGF"), ensuring that it is aligned with the best practices, the regulatory requirements and the directions set by the Board of Directors;
- ensure the development of policies, methods and systems for the identification, measurement and monitoring of operational risks and their periodic assessment and validation;
- address all operational risk related issues as per the directions and decisions of the BRC;
- continuous monitor and review the Group operational risk profile and report to senior management and the Supervisory Authorities

The GORMD consists of the:

- Operational Risk Framework Implementation Sector, which in turn consists of the Operational Risk Program Implementation and the Operational Risk Internal Events Collection Subdivisions;
- Operational Risk Framework Development Subdivision;
- Operational Risk Reporting Subdivision; and
- Operational Risk Awareness and Training Subdivision.

GSRM

The mission of GSRM, is shaped taking into account the wide spectrum of risks that may be correlated to the Group's Strategy, in alignment with the prevailing business needs. GSRM is responsible for:

- monitoring, analysing & evaluating risks that are evident or related to the Business Strategy of the Group and may negatively impact the profitability and the dynamic structure of the Balance Sheet for both the Bank and/or the Group;
- analyzing the hypothesis and assumptions embedded in the Strategic Planning, Business Planning (business model mapping), and Future Profitability;
- managing of risks related to the implementation of the Business Strategy;

- analyzing risks and potential impacts measured via appropriate Key Risk Indicators (KRI's) and stemming from deviations in relation to the expressed targets set in the Business Strategy & Business Planning;
- developing scenarios and the execution of Stress Testing Exercises;
- performing sensitivity analyses related to the risks entailed in the dynamic profitability evolution and of the Asset & Liability Structure;
- monitoring the development, execution, and revising of financial targets related to the Strategy of NPE's;
- selecting and using appropriate performance measures which are adjusted based on risk (risk-adjusted performance metrics – "RAPM") aiming to evaluate the Strategy Risks;
- analyzing and evaluating of Capital Adequacy & Profitability Risks;
- executing of industry wide Stress Test exercises according to regulatory demands and guidelines (EBA, SSM, etc) in cooperation with the involved units;
- modelling, providing methodological documentation & submission of estimations, reporting and sensitivity analyses under different scenarios, and more specifically of the Dynamic Analysis of the Net Interest Income ("NII") and of profitability;
- monitoring of the evolution of NPEs; and
- monitoring of the dynamic evolution of Assets & Liabilities (Dynamic Asset Liability Management ("ALM")).

The GSRM Consists of the:

- Business Strategy Risk Monitoring Sector which in turn consists of the Profitability Risk Monitoring Subdivision, the Risk Adjusted Performance Monitoring Subdivision & the Strategic Risk Evaluation & Action Planning Subdivision;
- Scenario Planning & Analysis Sector which in turn consists of the NPE Monitoring Subdivision, the Stress Testing & Sensitivity Analysis Subdivision & the Strategic Risk Evaluation & Unified platform management Subdivision; and
- Dynamic Modelling & Asset Liability Management Subdivision.

MVU

MVU's responsibility is to:

- establish, manage, and enforce the Model Validation Policy;
- develop new and enhance the existing Model Risk Management standards;
- update the Model Validation Policy based on applicable regulatory guidance and requirements;
- communicate and escalate model risk metrics to the Board of Directors, the BRC, the Group CRO and senior management;
- independently validate and approve new and existing models based on their materiality;
- document material changes in model validation reports;
- annually recertify material models and review results of on-going monitoring.

The MVU consists of the:

- Market Risk Validation Subdivision; and
- Credit Risk Validation Subdivision.

DCD

The mission of the DCD is to provide an independent assessment of the domestic corporate credits. This is achieved through the following:

- participate in the credit approving bodies for corporate clients with the right of veto;
- review all Corporate credit proposals, submitted for assessment and approval by the competent credit committees;
- review the outcome of the individual assessment for impairment of lending exposures performed by the Credit Granting units;
- participate in the formulation / revision of the Corporate Credit Policy, the Credit Process Manual and numerous other credit regulations;
- draft and circulate guidelines / instructions for the effective implementation of relevant policies and regulations;
- monitor the implementation and the timely management of the Early Warning alerts for each client as well as the outcome of relevant actions.

GRCD

The mission of the GRCD is to provide an independent assessment of domestic and international retail credit. This is achieved through the following:

- manage the Retail Credit Policy in co-operation with GRCAD;
- form the relevant Retail Banking Regulations;
- participate in the development of Retail products in all stages of the credit cycle (new credit, rescheduling, restructuring) and determine the framework and dynamic controls of the relevant credit criteria;
- set in detail through the frameworks referred in the relevant Regulations the appropriate approval procedure;
- participate in decision-making, in accordance with the approval authority tables, based on the credit proposals of the relevant Credit Granting units, which are solely responsible for the correct presentation of the quantitative and qualitative data contained in those. The GRCD reviews the correct implementation of the Credit Policy and Regulations.

The GRCD consists of the:

- Retail Banking Credit Policy Subdivision (Domestic);
- Applications Assessment Subdivision (Domestic);
- Portfolio Analysis (Domestic) & International Subsidiaries Retail Credit Subdivision and
- Credit Policy Implementation Review Subdivision.

GICD

The mission of the GICD is to provide an independent assessment of corporate credit in the Group's Banking Subsidiaries and Branches outside Greece. This is achieved through the following:

- participation in the Credit Committees with veto power;
- review all Corporate credit proposals, submitted for assessment and approval by the competent credit committees;
- participation in the classification process of Obligors;
- participation in the formulation /revision of Corporate Credit Policies and Credit Procedures Manuals.

Each Division/Unit has distinct responsibilities and covers specific types of risk and all Divisions/Units report ultimately to the CRO.

Risk Profile Assessment / Risk Taxonomy

The ongoing assessment of the Group's risk profile is a key component of the Group risk management process and comprises a series of specific steps. Every type of risk is analyzed and assessed on the basis of its specific characteristics and the qualitative features (policies, procedures, control mechanisms) applied in its management. A common component is the "internal capital" approach, which enables different types of risks to be captured under the same (and, therefore, comparable) terms, and also enables the risk profile of the Group to be expressed in a single measure ("total internal capital").

The ICAAP framework provides a list of the main risk categories and sub-categories covered by the ICAAP, as well as information regarding their definitions, risk management framework and the methodologies and models used for their assessment. Under ICAAP, the Group plans and monitors its capital adequacy by utilizing two quantification/ estimation approaches for capital requirements:

- Regulatory capital, whereby regulatory rules are used to calculate the capital requirement;
- Internal capital, whereby internal methodologies are used to calculate the capital requirement.

Apart from the ICAAP Framework, NBG has also developed an ICAAP methodological manual to describe in detail the methodologies used by NBG Group for each material risk, aiming to measure internal capital requirements where quantification in the near-to-medium term is deemed possible.

Material Risk Types and their treatment in ICAAP

Risk Types	Capital requirements approaches		
	Regulatory Capital	Internal Capital	Qualitative Analysis
Credit Risk	√	√	√
Concentration Risk	-	√	√
Settlement Risk	-	√	√
Residual Risk	-	√	√
Securitization Risk	√	√	√
Market Risk	√	√	√
General Interest Rate Risk	√	√	√
Issuer Risk	√	√	√
Country Risk	-	-	√
Equity Risk	√	√	√
Underwriting Risk	-	-	√
Foreign Exchange Risk	√	√	√
Commodity Risk	√	√	√
Counterparty Risk	√	√	√
Gamma Risk & Vega Risk	√	√	√
IRRBB	-	√	√
Operational Risk	√	√	√
Conduct Risk	-	√	√
Information & Communication Technology ("ICT") Risk	-	-	√
Model Risk	-	√	√
Legal Risk	-	√	√
Reputational Risk	-	-	√
Strategic Risk	-	-	√
Business Risk	-	√	√
Capital Access Risk	-	-	√
Liquidity Risk	-	-	√
Real Estate Risk	-	√	√
Pension Risk	-	-	√

Internal Capital Adequacy Assessment Process ("ICAAP") / Internal Liquidity Adequacy Assessment Process ("ILAAP")

NBG Group has devoted substantial resources to the assessment of its capital adequacy, relating to both risk and capital management. The process is continuously developed and formalized so as to enhance business benefits and support the strategic aspirations of NBG Group.

ICAAP objectives are the:

- proper identification, measurement, control and overall assessment of all material risks;
- development of appropriate systems to measure and manage those risks;
- evaluation of capital required to cover those risks (the "internal capital").

The term "internal capital" refers to the amount of own funds adequate to cover losses at a specified confidence level within a certain time horizon (both set in accordance with the risk-appetite framework).

The NBG Group has created an analytical framework for the annual implementation of the ICAAP. The framework is formally documented and describes the components of ICAAP at both Group and Bank level in detail. The framework comprises the following:

- Group risk profile assessment;
- Risk measurement and internal capital adequacy assessment;
- Stress testing development, analysis and evaluation;
- ICAAP reporting;
- ICAAP documentation.

Both the Board of Directors and the Bank's Executive Committees are actively involved and support the ICAAP. Detailed roles and responsibilities are described in the ICAAP Framework document. The BRC approves the confidence interval for "internal capital", reviews the proper use of risk parameters and/or scenarios where appropriate, and ensures that all forms of risk are effectively covered, by means of integrated controls, specialized treatment, and proper coordination at Group level. The BRC bears ultimate responsibility for the adequacy and proper execution of the ICAAP.

ICAAP's design and implementation Framework concerns the entire Group's material risks. The parameters taken into account are the size of the relevant Business unit/Group's Subsidiary, the exposure per risk type and the risk methodology and measurement approach for each type of risk.

The identification, evaluation and mapping of risks to each relevant Business unit/Group subsidiary is a core ICAAP procedure. Risks' materiality assessment is performed on the basis of certain quantitative (e.g. exposure as percentage of the Group RWAs) and qualitative criteria (e.g. established framework of risk management policies, procedures and systems, governance framework and specific roles and responsibilities of relevant units, limits setting and evaluation).

NBG Group has recognised the following risk types as the most significant within the ICAAP framework:

- Credit
- Market
- Operational
- Interest Rate Risk in the Banking Book (IRRBB)
- Concentration (Credit)
- Conduct (Operational)
- ICT (Operational)
- Model (Operational)
- Liquidity
- Business
- Strategic
- Reputational (Operational)
- Real estate
- Legal (Operational)
- Capital Access
- Pension

The calculation of NBG Group "Total Internal Capital" consists of two steps: In the first step, internal capital per risk type is calculated on a Group basis. NBG Group has developed methodologies allowing the calculation of the required internal capital for quantifiable risks. These are reassessed on a regular basis and upgraded in accordance with the global best practices. In the second step, internal capital per risk type is summed up to yield the Group's "Total Internal Capital".

Capital allocation aims at distributing the "Internal Capital" to the Business units and Subsidiaries so that ICAAP connects business decisions and performance measurement.

For 2019 the Bank implemented the ICAAP by estimating the relevant internal capital for all major risk types at Group level. Calculations were based on methodologies already developed in the ICAAP Framework. Moreover, NBG Group conducted a bank-wide macro Stress Test exercise, relating to the evolution of its CET I Funds under adverse scenarios (so as to ensure relevance and adequacy of the outcome with a realistic and non-catastrophic forward-looking view of downside tail risks).

In addition, a reverse stress test process has been conducted, where a threshold capital adequacy ratio has been set and then factors that could lead to a breach of this threshold have been identified. Reverse stress tests followed the methodology used to estimate internal capital required to cover against credit risk. Scenarios that could push the ratio down to this threshold were analysed.

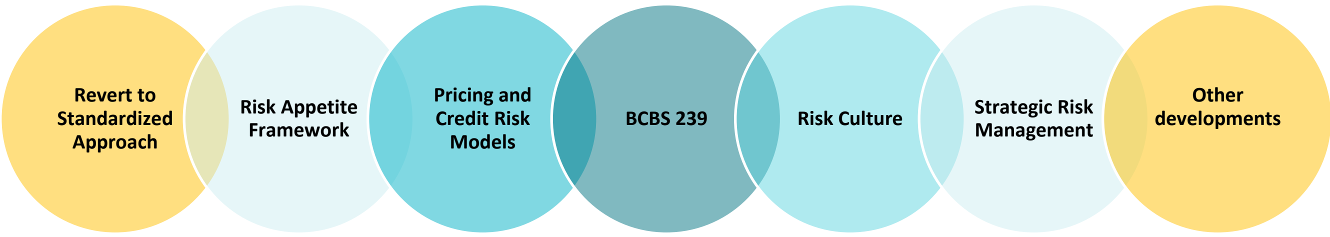
It should be noted that the Bank implements, monitors and uses the ICAAP aiming at achieving full compliance with the EBA and ECB guidelines and standards concerning ICAAP/ILAAP, the SREP and Stress Testing.

ILAAP

The scope of the ILAAP is to assess that the Group has adequate liquidity sources to ensure that its business operations are not disrupted, both in a going concern status, as well as under stressed conditions. Within the ILAAP the Group evaluates its liquidity and funding risk in the context of a management framework of established policies, systems and procedures for their identification, management, measurement and monitoring.

The ILAAP is an integrated process, therefore it is aligned with the Group's risk management framework and takes into account its current operating environment. Moreover, besides describing the Group's current liquidity state, it further serves as a forward-looking assessment, by depicting the prospective liquidity position, upon the execution of the Bank's Funding Plan. Finally, the ILAAP examines the potential impact of the realization of extreme stress scenarios, on the Bank's liquidity position, ensuring that the Group can withstand such severe shocks and continue operating.

The main rationale of moving to the use of the Standardized Approach request is the need for NBG to prioritize on resources and investments towards addressing the most critical challenges such as the implementation of an ambitious strategy for the reduction of the stock of NPE and operational costs reduction. Thus, the restriction of operational burden caused by the full roll-out and maintenance of the IRB Approach will serve the Bank to focus in the medium term on areas of strategic importance. Furthermore, RWAs will be more stable and predictable while an adverse immediate impact will be offset by the benefits of the planned NPE reduction.



New developments within 2019 and 2020 initiatives

Revert to Standardized Approach

In July 2018 the Bank applied to the ECB for permission to revert to the use of the Standardized Approach for the calculation of the risk-weighted exposure amounts currently under the IRB approach, in accordance with Article 149 of Regulation (EU) 575/2013 (CRR) and following relevant approval by the Bank's Executive Committee and Board of Directors.

The approval of ECB to revert to Standardized Approach for calculating own funds requirements for credit risk received on 21 May 2019, hence as of the second quarter of 2019, and thereinafter, the Bank officially reported the capital requirements under the Standardised Approach for the whole portfolio.

Risk Appetite Framework

GRCAD established a new Risk Appetite Framework ("RAF"). The objective of the RAF is to set out the level of risk that the Group is willing to take in pursuit of its strategic objectives, also outlying the key principles and rules that govern the risk appetite setting. The RAF constitutes an integral part of the Group's Risk & Capital Strategy and the overall Group risk management framework. The RAF has been developed in order to be used as a key management tool to better align business strategy, financial targets and risk management, and enable a balance between risk and return. It is perceived as a reference point for all relevant stakeholders within the Bank, as well as the supervisory bodies, for the assessment of whether the undertaken business endeavors are consistent with the respective risk appetite.

The development of the new RAF was conducted in three phases:

- **Phase 1:** target state orientation and gap analysis;
- **Phase 2:** framework and metrics update;
- **Phase 3:** embedding / implementation roadmap

Specifically for the Phase 3, the key objective was to further enhance the way RAF is being implemented and embedded within the Group. It consists of the following pillars:

- Communication of the RAF;
- Standardization of RAF monitoring process;
- Cascading of RAF indicators;
- Escalation process in case of a threshold breach;
- Update of documentation related to RAF;
- Alignment of NBG subsidiaries RAF with Group RAF.

An effective RAF is fundamental to a strong risk management and governance framework. The RAF is not just a Key Performance Indicator (KPI) monitoring system; it constitutes an essential mechanism to support the Board of Director's oversight of the strategy execution within the risk boundaries that the Group is willing to operate. Through RAF, overall aspirations of the Board of Directors are translated to specific statements and risk metrics, enabling planning and execution, while promoting firm-wide thinking.

NBG has in place an effective RAF that:

1. is formed by both top-down Board of Directors guidance and leadership and bottom-up involvement of senior management and other stakeholders, and understood and practiced across all levels of the Bank;
2. incorporates quantitative risk metrics and qualitative Risk Appetite statements that are easy to communicate and assimilate;
3. supports Group's business strategy by ensuring that business objectives are pursued in a risk-controlled manner that allows to preserve earnings stability and protect against unforeseen losses;
4. reflects the types and level of risk that the Bank is willing to operate within, based on its overall risk appetite and risk profile, sets the guidelines for new products development, as well as the maximum level of risk that the Group can withstand, through the risk capacity;
5. contributes in promoting a risk culture across the Group;
6. is aligned with other associated key processes of the Bank.

Within this context, the RAF allows:

1. to strengthen the ability to identify, assess, manage and mitigate risks;
2. to facilitate the monitoring and communication of the Bank's risk profile quickly and effectively.

The assessment of the Bank's risk profile against the RAF is an ongoing and iterative process. With regards to the timing that the RAF update takes place (as part of the regular annual update process), the interaction with other key processes of the Bank is taken into consideration. Specific focus is placed to RAF's interplay with the Business Plan, as the two processes feed into each other: in certain cases the risk appetite is expected to act as backstop / constraint to the Business Plan, while for other cases, the Business Plan provides input for setting risk tolerance levels.

Pricing and Credit Risk Models

Following completion of the Early Warning Systems ("EWS") regarding corporate and retail portfolio, the Bank has already updated the pricing models used for both corporate and retail clientele, taking into account the impact of IFRS9 framework of provisioning. In addition, the Bank is in the process to optimize the pricing methodology and procedure, by:

I. incorporating Funds Transfer Pricing ("FTP") variables in the funding cost element;

II. utilizing updated and granular estimates for operating cost; as well as

III. taking into account other fees/benefits from the client (fees, cross selling, deposits etc) in a more granular mode

The aim is to establish a well-defined risk-adjusted pricing framework that is based on fundamental pricing principles and is governed by relevant policies, robust methodologies and tools.

Finally, the Bank in a continuous effort to improve its efficiency and the quality of the services provided, is moving to a more advanced credit risk models suite for the retail households' portfolios.

In that context, it was found necessary to upgrade and optimize the existing credit risk models that will allow the Bank to cope with a constantly evolving technological and business environment and better capture the underlying risk. During 2019 the Bank initiated a thorough scoping analysis with the involvement of the responsible units and defined the set of models, upgrades and the appropriate model architecture that will better facilitate that purpose.

Leveraging on the above, the Bank is planning to implement portfolio management strategies and solutions that will allow the customer offers' optimization i.e. balancing profit and loss and offering products to the right clientele and at the right levels to secure credit risk and profitability targets are met. Accordingly, the development of the new restructure model suite will be the basis for the optimization of the restructuring process and the relative solutions offering.

BCBS 239

BCBS 239 is the Basel Committee on Banking Supervision's standard with an overall objective to strengthen banks' risk data aggregation capabilities and internal risk reporting practices, in turn, enhancing the Group risk management and decision making processes at banks. NBG is aligned with other European banks based on the ECB Thematic Review. The 3 main pillars on which the Bank was evaluated for effective risk data aggregation and risk reporting embed all the main principles set by the standard.

Governance & Infrastructure
(Governance, Data Architecture & IT infrastructure)

- policies and procedures are sufficiently documented and up-to-date, including escalation and remediation procedures;
- systems are secure and resilient, with a clear ownership structure, sufficient automation, and an end-to-end audit trail.

Risk Data Aggregation Capabilities
(Adaptability, Timeliness, Completeness, Accuracy & Integrity)

- robust internal controls that are regularly monitored;
- appropriate balance of automated and manual processes;
- prevention of unauthorized alterations/manipulation that compromise data accuracy, completeness and reliability;
- availability of relevant risk data aggregated across all firm's legal entities, business lines, jurisdictions, etc.;
- aggregated risk data is available and risk reports are produced within established timeframes;
- risk data aggregation capabilities are able to change (or be changed) in response to changing circumstances (internal or external).

Risk Reporting Practices
(Distribution, Frequency, Comprehensiveness, Reporting Accuracy, Clarity & Usefulness)

- reconciliations between Risk and Finance data;
- risk reports include or deal with all risks relevant and material to the firm;
- risk reporting is easily understood and free from indistinctness and ambiguity;
- reports are regularly issued without need for multiple runs to generate an error-free report;
- reports are received by appropriate people or groups.

The Bank is on the right path for improving compliance with BCBS 239 through actions fulfilling all the above key principles such as enhancement of Operational Risk system, Enterprise Data Warehouse, Asset and Liability management system, Risk Confidence ("RCO") system for IFRS9, BRC report redesign and Data Governance Program implementation.

Moreover on April 2019 the Bank initiated BCBS 239 program to improve automation in management and reporting process and other mitigating actions in order to reach the desired target state of compliance such as completion and standardization of risk documentation, establishment of a BCBS 239 compliance function and its integration to the NBG responsible unit, management, measurement and monitoring of IRRBB.

Risk Culture

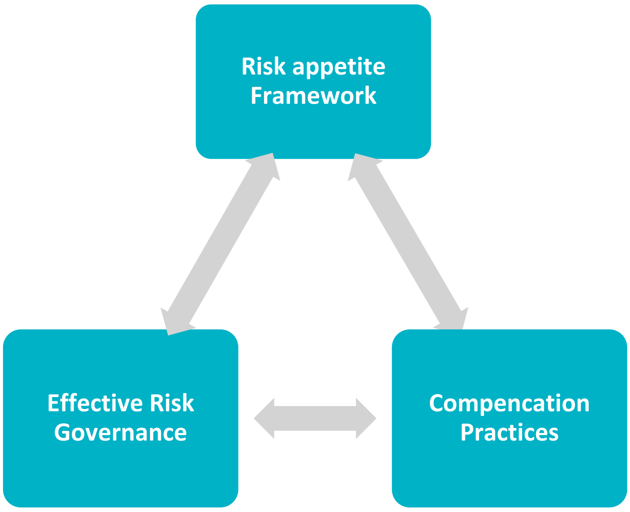
As part of the Transformation Program, during the first quarter of 2019, the Risk Management Function launched the development of a Risk Culture Program.

Risk Culture is defined as an institution's norms, attitudes and behaviours related to risk awareness, risk taking and risk management, and the controls that shape response strategy on risk. Risk Culture influences the decisions of management and employees during the day-to-day activities and has an impact on the risks they assume.

The objective of NBG is to establish a sound and consistent Risk Culture across all units that is appropriate for the scale, complexity, and nature of the Bank's business, in line with regulatory/ supervisory requirements and in accordance with best business practices, based on solid values which are articulated by the Group's Board of Directors and Group's Senior Management.

The formulation of the Risk Culture Program takes into consideration supervisory guidelines and expectations and is based on the following foundational elements and assessment indicators:

Foundational Elements



Assessment Indicators

In 2019, the Risk Culture program:

- set NBG's Risk Culture target state and assess existing state, address identified gaps and develop the program's implementation roadmap based on the following key elements:

- developed the Risk Culture Framework, aiming at defining and documenting the principles, processes and methodologies for setting, measuring, monitoring, reporting and enhancing Risk Culture at NBG, along with the governance framework that the Bank has established for its effective development and implementation;
- developed the methodology and analytic tools for measuring Rick Culture at NBG.

The Risk Culture program targets for 2020 are to:

- enhance the Risk Culture governance in the Bank;
- develop and implement communication / training plans on risk awareness, risk taking, risk management and other risk-related topics across all NBG units;
- harmonize NBG Group Subsidiaries' approach with regards to setting, measuring, monitoring, reporting and enhancing Risk Culture.

Strategic Risk Management

For Group Strategic Risk Management ("GSRM"), 2019 signified the implementation of an Integrated Forecasting and Stress Testing Platform (the "Platform"). The Platform enables connectivity among Bank's models, analytics & data to produce Bank-wide forecasts, with the target to increase automation, create efficiencies and minimize operational risk across multiple forecasting exercises ("Use Cases" i.e. bottom-up Business Plan, NPE Target Setting, ICAAP, and 2020 EU-wide Stress Testing). The Platform currently is fully tested and working in Bank's Development and User Acceptance Testing ("UAT") environment, with clear plan agreed with IT to migrate the Platform to Production environment.

Moreover, in 2019, the Bank achieved the first reproduction of the Business Plan via the platform (end-to-end execution of runs of all models in the forecasting sequence of a business plan Use Case) and the delivery of integration of the Collateral Tool into the platform, delivering an automated approach to transforming units' input to NPE Plan input.

In addition and in the context of the Transformation Program of NBG, GSRM has embarked into a series of longer term projects aiming to further develop the Strategic Risk Management Capabilities of the Bank and the Group.

Major progress achieved in 2019 relates to the establishment of the Risk Adjusted Performance Measurement (RAPM) mechanism including the Risk-Adjusted Economic Value Added ("EVA") metrics. To that end, GSRM facilitated the approval of the revised Risk Based Pricing methodologies for Corporate & Retail Portfolios.

For the first half of 2020, GSRM is focusing on the successful execution and delivery of the Regulatory commitments undertaken by the Bank such as the 2020 EU-wide Stress Test exercise, the NPE Plan submission and the completion of the work streams related to ICAAP/ILAAP.

Other developments

o Market Risk

The projects which are in progress and are related to Market Risk are the following:

Inclusion of volatility risk (Vega risk) in the Value-at-Risk ("VaR") calculations: volatility risk arises from the options in NBG's derivatives' portfolio. At present, this type of risk is capitalized using the Standardized Approach. However, the GFLRMD intends to include the implied volatility risk factors in the daily VaR calculations, in order to enhance the model robustness and completeness and in line with the respective finding in ECB's final Decision on Market Risk Targeted Review of Internal Models ("TRIM"). The project is currently in an advanced stage and is expected to be rolled out to the Market Risk engine within 2020.

Introduction of the new Market Risk standard (Fundamental Review of the Trading Book - "FRTB"): A major project initiative aimed at aligning NBG's market risk practice to the latest Regulatory Standard on market risk is currently in progress. This is a significant undertaking, which will affect the Bank's market risk infrastructure and procedures. GFLRMD has completed the planning phase of the project and is targeting completion of all implementation activities within timeline set to meet the Regulatory deadlines regarding the transition of the banking industry to the new Market Risk standard.

o Interest Rate Risk in the Banking Book

The Group has recently upgraded its IRRBB measurement capabilities, through the implementation of a new IRRBB calculation engine. This project initiative completely revamped the NBG's IRRBB risk management capabilities, including both changes in its target operating model and significant investment in related IT infrastructure and processes. The new infrastructure is fully operational since March 2019 and has been used to produce Regulatory and Internal IRRBB Reports since June 2019, in line with the introduction in the EU jurisdiction of new IRRBB management Guidelines by the European Banking Authority.

Updated IRRBB policy and methodology documents are scheduled to be submitted to the BRC for approval in 2020. These documents reflect the methodological and processing overhaul of NBG's IRRBB calculation capabilities through the delivery of the new calculation engine in 2019, as well as current best practices in the area of IRRBB management.

Behavioral assumptions regarding the maturity and repricing characteristics of products without specific repricing dates are currently being reviewed, as part of the development of a new model for Non-Maturing Deposits ("NMD"). The model is currently in an advanced stage of development and due to be rolled out to the new IRRBB calculation engine within 2020.

Furthermore, an IRRBB modelling project stream focusing on the interest rate sensitivity of NPE, in line with the latest Regulatory Guidelines, is currently in progress and due to be delivered within 2020.

o Liquidity Risk

In an effort to continuously improve its Liquidity Risk reporting framework, the Bank implemented a number of initiatives and proceeded to an exhaustive list of key enhancements which are presented below:

- the in-house Liquidity IT platform was further developed to support the liquidity monitoring and reporting framework. This platform has enabled risk management to fully automate the full set of internal liquidity reports on a daily basis since 2018. During 2019, this platform has been further enhanced to produce the full set of regulatory reporting, including the periodic supervisory liquidity reporting (i.e. Templates for Liquidity Coverage Ratio ("LCR"), Net Stable Funding Ratio ("NSFR") and Additional Liquidity Monitoring Metrics) and the Maturity Ladder templates for LiST 2019;
- the Liqudity framework (Liquidity Risk Policy, Contingency Funding Plan, Asset Encumbrance Policy, ILAAP Framework) was updated as part of the yearly ILAAP process, to reflect the Bank's current strong liquidity profile;
- the RAF has been revised and a new set of liquidity indicators, including the LCR, was introduced to align with the Bank's current business environment that incorporates a strong liquidity profile;
- the stress testing framework was enhanced with a new Maturity Ladder stress test that is designed in a similar fashion as the LiST 2019, intended to assess the Bank's survival horizon over a 6-month period.

o Operational Risk Management

As part of the Bank's Transformation Program:

- in 2019, the Group Operational Risk Management unit was established as a separate Division;
- a thorough gap analysis of the existing Operational Risk Management Framework ("ORMF") was completed, where all Operational Risk related existing Standards, Programs and Policies were reviewed and the main components were updated;
- an evaluation of the Group's main risks (Top Operational Risks) with the participation of the Bank's Executive and Senior Management was completed and the results were presented to the Board of Directors. This methodology provides a detailed process for the determination of Operational Risk exposure levels and trends, encourages the prioritisation of mitigation plans and enhances communication with Senior Management and Operational Risk Culture;
- a more detailed Operational Risk Taxonomy was developed as part of the ORMF establishing a common language and allowing the effective classification of operational risk;
- the internal loss events collection process was enhanced, as a key to perform a more detailed and accurate information based cross-analysis of the Group's risk profile;
- GORMD participates in the newly established Internal Control Coordination Committee ("ICCC") that focuses on the strengthening of synergies among the three lines of defence towards a more efficient operational risk and control management. As part of the ICCC 2019 initiatives, GORMD was a key contributor to the:
  - establishment of the role of the Segment Risk and Control Officer (first line of defence) in the main Business Functions/General Divisions of NBG;
  - selection of the vendor for the acquisition of a new Governance Risk Management and Compliance "GRC" platform for the Group;
  - development of an Operational Risk, Compliance & Internal Control Glossary;
  - development of a Common Principles for Operational Risk and Control Assessment document.

Regarding the 2019 ICAAP, the internal capital estimation for operational risk was further enhanced with the use of scenarios including Conduct, Legal and ICT Risk.

Among other initiatives adopted in 2019 was the incorporation of additional risk appetite metrics related to CyberSecurity risk in the RAF of the Bank.

As part of the cross divisional synergies, GORMD contributed to the development and review of various policies & procedures such as Outsourcing Policy, Business Continuity Plan ("BCP") Policy & Plans, Information Security Policy.

For the 2020 Operational Risk Initiatives are the following:

RCSA Updated Methodology & Roll Out

- The Group Operational Risk Management Division is working on an updated methodology for the RCSA program, which is scheduled for roll - out in the first half 2020. A pilot RCSA run based on the updated methodology is under implementation with the active participation of GORMD.

Deployment of the new GRC Platform

- The implementation of the new GRC platform is scheduled to begin in the second quarter of 2020 and the modules are expected to be functional by the third quarter of 2021.

Optimization of Operational Risk Internal Events Data & Collection process

- The continuous improvement of the Operational Risk loss data collection and the enhancement of the quality of the relevant loss database remains a top priority in the Division's project plan for the coming year.

The Bank has adopted the Standardized Approach for the calculation of operational risk regulatory capital requirements, both on a Bank and a Group level.

Management of Risks

Credit Risk

(Audited)

Credit risk is the risk of financial loss relating to the failure of a borrower to honour its contractual obligations. It arises in lending activities as well as in various other activities where the Group is exposed to the risk of counterparty default, such as its trading, capital markets and settlement activities. Credit risk is the largest single risk the Group faces. The Credit Risk processes are conducted separately by the Bank and each of its subsidiaries.

The credit risk procedures established by the subsidiaries are coordinated by the GRCAD.

The Group's credit granting processes include:

- credit-granting criteria based on the particular target market, the borrower or counterparty, as well as the purpose and structure of the credit and its source of repayment;
- credit limits that aggregate in comparable and meaningful manner different types of exposures, at various levels;
- clearly established procedures for approving new credits as well as the amendment, renewal and re-financing of existing credits.

The Group maintains on-going credit administration, measurement and monitoring processes, including in particular:

- documented credit risk policies;
- internal risk rating systems;
- information systems and analytical techniques that enable measurement of credit risk inherent in all relevant activities.

The Group's internal controls implemented for the above processes include:

- proper management of the credit-granting functions;
- periodical and timely remedial actions on deteriorating credits;
- independent, periodic audit of the credit risk management processes by the Group Internal Audit Division, covering in particular the credit risk systems/models employed by the Group.

Additionally, the GRCAD measures and monitors credit risk on an on-going basis through documented credit risk policies, internal rating systems, as well as information systems and analytical techniques that enable measurement of credit risk inherent in all relevant activities. Thus, the Group achieves active credit risk management through:

- the application of appropriate limits for exposures to a particular single or group of obligors
- the use of credit risk mitigation techniques;
- the estimation of risk adjusted pricing for most products and services;
- a formalized validation process, encompassing all risk rating models, conducted by the Bank's independent MVU.

The Credit Policies for the Corporate and the Retail Banking portfolios of the Bank and its subsidiaries set the minimum credit criteria, present the fundamental policies, procedures and guidelines for the identification, measurement, approval, monitoring and managing of credit risk undertaken in Corporate and Retail Banking Portfolios respectively, both at the Bank and Group levels.

The Credit Policy of the Bank is approved by the Board of Directors upon recommendation of the BRC following proposal by the CRO to the Executive Committee and the BRC, and are reviewed on an annual basis and revised whenever deemed necessary and in any case every two years.

Credit Policies of each subsidiary are approved by the competent local boards or committees, following a recommendation by the responsible officers or subsidiaries' bodies, according to the decisions of the Bank and the provisions of the Credit Policies. Each proposal must bear the prior consent of the Group Chief Credit Officer ("CCO"), or the Head of NBG's Group International Credit Division in cooperation with the Head of NBG's GRCAD for issues falling under their responsibility. The subsidiaries' Credit Policies are reviewed on an annual basis and revised whenever deemed necessary and in any case every two years.

Through the application of the Retail Banking Credit Policy, the evaluation and estimation of credit risk, for new as well as for existing products, are effectively facilitated. NBG's senior management is regularly informed on all aspects regarding the Credit Policy. Remedial action plans are set to resolve the issues, whenever necessary, within the risk appetite and strategic orientation of the Bank. Retail Banking Credit Policy is reviewed on an annual basis and revised whenever deemed necessary and in any case every two years. All approved policy changes are incorporated in the Policy Manual.

Concentration Risk

(Audited)

The Bank manages the extension of credit, controls its exposure to credit risk and ensures its regulatory compliance based on an internal limits system. The GRCAD is responsible for limits setting, limits monitoring and regulatory compliance.

The fundamental instruments for controlling Corporate Portfolio concentration are obligor limits, reflecting the maximum permitted level of exposure for a specific obligor, given its Risk Rating and sector limits, that set the maximum allowed level of exposure for any specific industry of the economy; industries are classified in groups on the basis of NACE (General Industrial Classification of Economic Activities within the European Communities) codes. Sector limits constitute part of the Bank's Risk Appetite Framework and are revised at least annually. Excesses of the Industry Concentration Limits should be approved by the Board Risk Committee following a proposal of the General Manager of Group Risk Management CRO. Any risk exposure in excess of the authorized internal obligor limits must be approved by a higher level Credit Approving Body, based on the Credit Approval Authorities as presented in the Corporate Credit Policy. Like Sector Limits, obligor limits are subject to BRC approval on an annual basis.

Credit risk concentration arising from a large exposure to a counterparty or group of connected clients whose probability of default depends on common risk factors is monitored, through the Large Exposures and Large Debtors reporting framework.

Finally, within the ICAAP, the Bank has adopted a methodology to measure the risk arising from concentration to economic sectors (sectoral concentration) and to individual companies (name concentration). Additional capital requirements are calculated, if necessary, and Pillar 1 capital adequacy is adjusted to ultimately take into account such concentration risks.

Market Risk

(Audited)

Market risk is the current or prospective risk to earnings and capital arising from adverse movements in interest rates, equity and commodity prices and exchange rates, and their levels of volatility. The Group engages in moderate trading activities in order to enhance profitability and service its clients. These trading activities create market risk, which the Group seeks to identify, estimate, monitor and manage effectively through a framework of principles, measurement processes and a valid set of limits that apply to all of the Group's transactions. The most significant types of market risk for the Group are interest rate, equity and foreign exchange risk.

Interest Rate Risk is the risk related to the potential loss on the Group's portfolio due to adverse movements in interest rates. A principal source of interest rate risk exposure arises from the interest rate, over-the-counter ("OTC") and exchange traded derivative transactions, as well as from the HTCS bond portfolios.

The most significant contributor to market risk in the Group is the Bank. More specifically, the Bank is active in the interest rate and cross currency swap markets and engages in vanilla and more sophisticated transactions for hedging and proprietary purposes and it maintains positions in bond and interest rate futures, mainly as a means of hedging and to a lesser extent for speculative purposes. Additionally, the Bank retains a portfolio of Greek T-Bills and government bonds and other European Union ("EU") sovereign debt, European Financial Stability Fund ("EFSF") bonds, as well as moderate positions in Greek and international corporate issues. NBG's exposure to interest rate risk in the Trading Book has significantly decreased due to the deleveraging of the interest rate derivatives portfolio, while the Bank enters into hedge accounting relationships in order to reduce the interest rate sensitivity arising from the HTCS bonds portfolio.

Equity Risk is the risk related to the potential loss due to adverse movements in the prices of stocks and equity indices. The Group holds a limited portfolio of stocks, the majority of which are traded on the Athens Exchange (the "ATHEX") and retains positions in stock and equity index derivatives traded on the ATHEX, as well as, on international exchanges. The cash portfolio comprises of trading (i.e. short-term) and held to collect and sell (i.e. long-term) positions. The portfolio of equity derivatives is used for proprietary trading, as well as for the hedging of equity risk arising from the Group's cash position and equity-linked products offered to its clients.

Foreign Exchange Risk is the risk related to the potential loss due to adverse movements in foreign exchange rates. The Open Currency Position ("OCP") of the Bank primarily arises from foreign exchange spot and forward transactions, as well as from the mark-to-market of NBG's OTC derivatives' trades denominated in foreign currency. The OCP is distinguished between trading and structural. The structural OCP contains all of the Bank's assets and liabilities in foreign currency (for example loans, deposits, etc.), along with the foreign exchange transactions performed by the Treasury Division. Apart from the Bank, the foreign exchange risk undertaken by the rest of the Group's subsidiaries is insignificant. The Group trades in all major currencies, holding mainly short term positions for trading purposes and for servicing its institutional /corporate, domestic and international clients.

The Bank uses market risk models and dedicated processes to assess and quantify its portfolio market risk, based on best practice and industry-wide accepted risk metrics. More specifically, the Bank estimates the market risk of its Trading and HTCS portfolios, using the VaR methodology. The VaR estimates are used both for internal management and regulatory purposes. In order to verify the predictive power of the VaR model, the Bank conducts back-testing on a daily basis. Moreover, since the daily VaR estimations refer to "normal" market conditions, a supplementary analysis is necessary for capturing the potential loss that might arise under extreme and unusual circumstances in the financial markets. Thus, the Bank conducts stress testing on a weekly basis, on both the Trading and HTCS portfolios, based on specific scenarios per risk factor category (interest rates, stock index prices, exchange rates). For more details on the VaR model and the respective results, as well as on the back-testing and stress-testing procedures, please see Note 4.3 of the Financial Statements.

The Bank has also established a framework of VaR limits, in order to control and manage the risks to which it is exposed, in an efficient way. These limits are based on the Bank's Risk Appetite, as outlined in the RAF, the anticipated profitability of the Treasury Division, as well as on the level of the Bank's own funds (capital budgeting), in the context of the Group strategy. The VaR limits refer not only to specific types of market risk, such as interest rate, foreign exchange, equity and commodities but also to the overall market risk of the Bank's Trading and HTCS portfolios, taking into account the respective diversification between portfolios. Moreover, the same set of limits are used to monitor and manage risk levels on the Trading book, on an overall basis and per risk type, since this is the aggregation level relevant for the calculation of the own funds requirements for Market Risk, under the Internal Model Approach ("IMA").

The principles and practices for sound market risk management at NBG are set forth in the Market Risk Management Policy ("Policy") which is subject to ongoing revision, as changes in business conditions, amendments to existing regulations and other events may affect market risk practices and controls. The Policy is established to evidence the Bank's commitment to develop and adhere to the highest standards for assessing, measuring, monitoring and controlling market risk arising from trading and non-trading activities. Additionally, the VaR model as well as the processes followed by the GFLRMD for the measurement and monitoring of Market Risk are described in the VaR/sVaR Model Methodology document, which is subordinate to the Market Risk Management Policy and is subject to changes, in accordance with amendments to the Policy.

The operation of the market risk management unit as a whole, including the VaR calculation framework, have been thoroughly reviewed and approved by the Bank of Greece, as well as by external advisors. Furthermore, the Group's Internal Audit Division assesses the effectiveness of the relevant internal controls on a periodic basis. Furthermore, the adequacy of the market risk management framework, as well as the appropriateness of the VaR model used for the calculation of the Bank's capital requirements, were successfully reassessed by the SSM during the on-site investigation in the context of the TRIM, while no major findings were identified. Based on the TRIM assessment report, ECB concluded in its final Decision that NBG may continue calculating the own funds requirements for general market risk with the internal model approach, which verifies the robustness of NBG's Market Risk management model.

Finally, the GFLRMD is working on the implementation of the revised regulatory framework for market risk under Basel IV, which is also included in the Transformation Program.

Interest Rate Risk in the Banking Book

(Audited)

IRRBB refers to the current or prospective risk to the Bank's capital and earnings arising from adverse movements in interest rates that affect the Bank's Banking Book positions. The main sources of IRRBB are the following:

- Re-pricing risk: risk related to the timing mismatch in the maturity and re-pricing of assets and liabilities and off-balance sheet short and long term positions;
- Yield curve risk: risk arising from changes in the slopes and the shape of the yield curve;
- Basis risk: arises from imperfect correlation in the adjustment of the rates earned on and paid on different instruments with otherwise similar repricing characteristics;
- Optionality risk: arises from embedded options in the Group's assets, liabilities or off balance sheet portfolios.

Interest rate fluctuations affect the economic value of the Group's assets, liabilities and off-balance sheet items, through corresponding changes in the cash flows' amounts and discount rates and – therefore – their present value. Changes in interest rates also affect the Group's earnings by increasing or decreasing its NII and the level of other interest rate-sensitive income and operating expenses. It is therefore important to examine IRRBB from these two complementary views, and quantify the effect of interest rate changes using both value and earnings measures.

The Group's banking book consists mainly of loans and advances to customers, cash and balances with central banks, due from banks, securities measured at amortised cost and FVTOCI (mainly Greek government and other EU sovereign fixed rate bonds), due to customers, due to banks, debt securities in issue and other borrowed funds that are measured at amortised cost. The Group maintains adequate measurement, monitoring, and control functions for IRRBB, including:

- measurement systems of interest rate risk that capture all material sources of interest rate risk and that assess the effect of interest rate changes in ways that are consistent with the scope of the Group's activities;
- measurement of vulnerability to loss under stressful market conditions;
- processes and information systems for measuring, monitoring, controlling, and reporting interest rate risk exposures in the banking book; and
- a documented policy regarding the management of IRRBB.

IRRBB is measured, monitored, and controlled by GFLRMD, based on the Group's established RAF. Specifically, GFLRMD calculates a number of risk metrics for the purpose of monitoring and controlling IRRBB:

- NII sensitivity, a measure of the effect of interest rate changes to the Group's expected interest earnings. NII sensitivity measures changes to interest income under varying interest rate scenarios over a one year horizon and assuming a constant balance sheet over this period. Its main purpose is to measure the vulnerability of the Group's profitability to changing interest rates conditions.
- Economic Value of Equity ("EVE") Sensitivity, a measure of the Bank's Balance sheet value vulnerability to interest rate changes. EVE Sensitivity represents the change in the net present value of all cash flows in the Bank's balance sheet under a set of interest rate stress scenarios, and is calculated on the entire balance sheet under a run-off assumption, i.e., no replenishment of matured transactions.

Both metrics are used in establishing the Group's IRRBB capital requirements. The evaluation and review of IRRBB measurement systems and processes is undertaken annually by the Group's Internal Audit Division in relation to capital requirements calculations performed for the ICAAP exercise.

A set of IRRBB limits are defined in the Group's RAF in relation to the EVE sensitivity measure and in alignment with the limits prescribed in the Supervisory Outlier Test of the latest IRRBB Regulatory Guidelines. The prescribed limits are monitored and reported to the BRC as well as the ALCO on a monthly basis. The Group is exposed to moderate levels of IRRBB, as evidenced by the current levels of the established limit structure utilization, which are comfortably below the Risk Tolerance level defined in the Group's RAF.

Counterparty Credit Risk

(Audited)

Counterparty credit risk ("CCR") for the Group stems from OTC derivative and other interbank secured and unsecured funding transactions, as well as commercial transactions, and is due to the potential failure of a counterparty to meet its contractual obligations.

The framework for managing CCR that pertains to Financial Institutions ("FIs") is established and implemented by the GFLRMD. It consists of:

- measuring the exposure to each counterparty, on a daily basis;
- establishing the respective limits per counterparty;

- monitoring the exposure against the defined limits, on a daily basis.

The estimation of the exposure to each counterparty depends on the type of the financial product. In the case of unsecured interbank transactions and commercial transactions, exposure is equal to the nominal amount of the transaction, whereas secured interbank transactions and OTC Derivatives create Pre-Settlement Risk, which is measured through each product's Credit Equivalent Factors ("CEFs"), as described in the Counterparty Credit Risk Management Framework.

For the efficient management of counterparty credit risk, the Bank has established a framework of counterparty limits, which are based on the credit rating of the financial institutions as well as the product type. The credit ratings are provided by internationally recognized rating agencies, in particular by Moody's and Standard & Poor's. According to the Bank's policy, if the agencies diverge on the creditworthiness of a financial institution, the lowest credit rating is considered. Limits exist for each product type and are set at the respective counterparty's Group level, as analyzed in the Counterparty Credit Risk Framework. Sub-limits are then allocated to the subsidiaries of each counterparty Group, in accordance with the business needs of the Bank.

Counterparty limits apply to all financial instruments in which the Treasury is active in the interbank market. The Bank is also active in international trade finance, therefore a limit framework is in place for the efficient management of counterparty credit risk arising from funded commercial transactions. A similar limit structure for the management of counterparty credit risk applies across all of the Group's subsidiaries.

The limit-framework is revised periodically, according to business needs of the Bank and the prevailing conditions in the international and domestic financial markets.

Subsequently, all limits are monitored by GFLRMD on a daily basis.

NBG seeks to further mitigate CCR by standardizing the terms of the agreements with counterparties through International Swaps and Derivatives Association ("ISDA") and Global Master Repurchase Agreement ("GMRA") contracts that encompass all necessary netting and margining clauses. Credit Support Annexes ("CSAs") have also been signed with almost all active FIs, so that net current exposures are managed through margin accounts, on a daily basis, by exchanging mainly cash or debt securities as collateral. Moreover, NBG performs OTC transactions with central counterparties ("CCPs"), either directly or through qualified clearing brokers.

Finally, NBG avoids taking positions on derivative contracts where the values of the underlying assets are highly correlated with the credit quality of the counterparty (wrong way risk).

Country Risk

(Audited)

Country risk is the current or prospective risk to earnings and capital caused by events in a particular country, which are at least to some extent, under the control of the government but not under the control of a private enterprise or individual. The main categories of country risk consist of sovereign, convertibility and transfer risk. Sovereign risk stems from a foreign government's lack of capacity and/or unwillingness to repay its debt or other obligations. Convertibility and transfer risk arise when a borrower is unable to convert funds from local to foreign currency, in order to repay external obligations. Therefore, country risk stems from all cross border transactions, either with a central government, or with a financial institution, a corporate or a retail client.

The on and off-balance sheet items, which potentially entail country risk are the following:

- participation in the equity of the Group's subsidiaries, which operate in other countries;
- interbank secured and unsecured placements and risk that arises from OTC transactions, with financial institutions that operate abroad;
- loans and advances to corporations or financial institutions that operate abroad, positions in corporate bonds of foreign issuers and cross-border project finance loans;
- funded and unfunded commercial transactions with foreign counterparties; and
- holdings of foreign sovereign debt.

In this context, NBG's exposure to country risk arises from the participation in the Group's subsidiaries operating abroad, the Bank's holdings in foreign sovereign bonds and cross border activities in the form of interbank/commercial transactions and corporate lending.

GFLRMD monitors country risk exposure, as defined above, on a daily basis, mainly focusing on the countries where the Group has presence. Country risk has been decreasing during the last years, as the Bank is divesting international subsidiaries in accordance with its Restructuring Plan (see also "*Key Developments - 2019 Revised Restructuring Plan*").

Liquidity Risk

(Audited)

Liquidity Risk is defined as the current or prospective risk to earnings and capital arising from the institution's inability to meet its liabilities when they come due without incurring unacceptable losses.

It reflects the potential mismatch between incoming and outgoing payments, taking into account unexpected delays in repayments (term Liquidity Risk) or unexpectedly high outflows (withdrawal/call risk). Liquidity Risk involves both the risk of unexpected increases in the cost of funding of the portfolio of assets at appropriate maturities and rates, and the risk of being unable to liquidate a position in a timely manner and on reasonable terms.

The Bank's executive and senior management has the responsibility to implement the Liquidity Risk strategy approved by the BRC and to develop the policies, methodologies and procedures for identifying, measuring, monitoring and controlling Liquidity Risk, consistent with the nature and complexity of the relevant activities. The Bank's executive and senior management is informed about current Liquidity Risk exposures, on a daily basis, ensuring that the Group's Liquidity Risk profile stays within the approved levels.

In addition, senior management receives, on a daily basis, a liquidity report which presents a detailed analysis of the Group's funding sources, the liquidity buffer, the cost of funding and other liquidity indicators related to the RAF, the Recovery Plan ("RP") and the Contingency Funding Plan. Moreover, the ALCO monitors the gap in maturities between assets and liabilities, as well as the Bank's funding requirements based on various assumptions, including conditions that might have an adverse impact on the Bank's ability to liquidate investments and trading positions and its ability to access the capital markets. On a long term perspective, the Loans-to-Deposits ratio is monitored. This ratio stood at 66.1% and 66.9% as of 31 December 2019, on a domestic (Greece) and on a Group level, respectively.

Since Liquidity Risk management seeks to ensure that the respective risk of the Group is measured properly and is maintained within acceptable levels then, even under adverse conditions, the Group must have access to funds necessary to cover customer needs, maturing liabilities and other capital needs, while simultaneously maintaining the appropriate liquidity buffer to ensure the above. In addition to the Bank's liquidity buffer, the rest of the Group's subsidiaries maintain an adequate liquidity buffer, well above 10% of their total deposits, which ensures their funding self-sufficiency in case of a local crisis.

Current Liquidity Status

On 31 December 2019 the Bank's strong liquidity profile is representative of a healthy liability side of the balance sheet. NBG has fully recovered from all the limitations that ensured the previous liquidity crisis. The improved funding structure is marked by the inflow of stable retail deposits, the increase of stable long-term funding, the historically low ECB funding and the full access to the secured interbank markets. Moreover, LCR and NSFR, as well as the Bank's liquidity buffer currently stand at the highest historical levels. The liquidity state of the Bank at year end is further analyzed in the next section.

Complementary to the strong liquidity state, Liquidity Risk management has completed the most significant IT reform of the recent years. The new in-house IT liquidity platform has been further enhanced to enable risk management to fully automate, integrate and seamlessly produce the full set of internal and regulatory liquidity reporting. This issue is further discussed in the "*New developments within 2019 and 2020 initiatives*" section.

Sources of liquidity

The Bank's principal sources of liquidity are its deposit base, Eurosystem funding currently via the TLTROs with ECB, repurchase agreements (repos) with major foreign Financial Institutions ("FIs") and wholesale funding through the placement of own issued covered bonds and Tier II notes. ECB funding and repos with FIs are collateralized mainly by high quality liquid assets, such as, EU sovereign bonds, Greek government bonds and T-Bills, as well as by other assets, such as highly rated corporate loans and covered bonds issued by the Bank.

Following a milestone year for the Bank's liquidity in 2018, where the Bank was the first Greek systemic bank to fully restore both Basel III liquidity metrics (LCR and NSFR) within the regulatory limits, the Bank's liquidity profile was further enhanced during 2019, marking its strong position on the liquidity front and ensuring its ability to fund the recovering Greek economy. Moreover, NBG was again the first Greek systemic bank to issue and successfully place to investors a Tier II capital subordinated note in the amount of €400 million, in July 2019, receiving another vote of confidence from the global financial markets and confirming its leading position in the Greek market.

On 31 December 2019, the Bank's customer deposit balance stood at €42.7 billion, an increase of €0.7 billion compared to the respective figure as of 30 June 2019. This increase is negatively affected by NBG's decision not to renew the Public Debt Management Agency ("PDMA") deposits that stood at €0.5 billion as of 30 June 2019. Ignoring the effect of PDMA deposits, NBG's customer deposit base increased by €1.2 billion, mainly due to the increase of the stable Savings deposits by €1.0 billion. Moreover, during the same period, the Bank's exposure to Eurosystem funding was renewed from the TLTRO II to the TLTRO III program and remained unchanged to €2.2 billion, the lowest level since the beginning of the crisis.

Additionally, both the LCR and the NSFR were further improved during the second half of 2019, broadening their distance from their respective minimum regulatory thresholds. Following its restoration in July 2018, the Bank's LCR significantly increased thereafter, reaching the highest level of 207.3% in December 2019. Moreover, NSFR exceeded the minimum regulatory threshold of 100% for the first time in September 2018 and further increased in 2019, mainly driven by the improved funding mix as well as the exchange of the 30 Year IRS with the Hellenic Republic, in February 2019. The Bank's NSFR stood at 115.3% on 31 December 2019.

Moreover, the international secured financing markets continued to be open for NBG, which the Bank tapped for €0.5 billion, a significant decrease when compared to the respective level as of 30 June 2019. This decrease reflects the decision of NBG to reduce its exposure to this source of funding, in order to further increase the stock of unencumbered liquid assets. The Bank's funding cost stood at 41bps as of 31 December 2019 a marginal decrease by 1bp compared to the respective figure as of 30 June 2019, driven by the decrease of the cost of customer deposits by 8bps, as well as the increase of the cost of wholesale funding that was affected by the new Tier II issuance.

Finally, the Bank's liquidity buffer stood at €12.4 billion as at 31 December 2019, of which €1.3 billion was collateral eligible for funding with the ECB, €8.0 billion pertained to the unencumbered Greek Government bonds, T-Bills and other tradable collateral that could be used for secured funding with FIs, and the remaining €3.1 billion was either in the form of Cash, or deposited with the Bank of Greece, as well as in the form of short term unsecured interbank placements and deposited in Nostro accounts, further showing NBG's strong liquidity position.

Operational Risk

NBG Group defines Operational Risk as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk, excludes strategic and business risk, but takes into consideration the reputational impact of Operational Risk.

The main subcategories of Operational Risk are: Legal risk, Compliance risk, Conduct risk, ICT risk and Model risk.

Operational Risk is inherent to all products/services, activities, processes and systems and is generated in all business and support areas. For this reason, all employees are responsible for managing and controlling operational risks generated in their sphere of action. Consequently, managers throughout the Group are accountable for operational risks related to their business area, and responsible for managing these risks within their risk appetite, in accordance with the ORMF.

As a general statement, the Group is averse to operational risk events that could lead to financial loss, fraud and operational, technological, legal and regulatory breaches, misconduct or damage to its reputation.

The Group's goal in terms of Operational Risk management is focused on identifying, evaluating, and mitigating risks, regardless of whether they have materialized or not. The analysis of potential Operational Risk exposures contributes to the establishment of risk management priorities.

The Group recognizes the importance of Operational Risk and has established a comprehensive and effective framework (ORMF), for its management across all Group operations since 2007.

Operational Risk management is integrated into the day-to-day business, adding value to the organization by applying a proactive approach. A series of techniques and tools have been defined by the Group in order to identify, measure and assess Operational Risk. The most important operational risk mechanisms used by the Group are the following:

- **The Risk and Control Self-Assessment ("RCSA") process**; it is a process that allows for the determination of the risk profile of all Group functions by the risk owners. The goal of the RCSA is to identify and assess operational risks that could prevent business or support units from achieving their objectives. Once they are assessed, mitigation actions are identified where risk exceeds tolerance levels;
- **The Internal Events Collection process**, as well as the maintenance of a sound and consistent internal events database; Operational Risk losses are collected at a Group level. All organizational units of the Bank, as well as all Greek and foreign subsidiaries are responsible for recording operational events and respective losses following specific guidelines, under a standardized methodology;
- **The definition and monitoring of Key Risk Indicators**; these are metrics for the monitoring of risk trends that act as early detection/warning indicators by identifying issues that may increase operational risk exposures;
- **The Scenario Analysis**; a systematic process of obtaining expert opinions, based on reasoned assessments of the likelihood and impact of plausible severe operational losses. The main objective is to identify potential events that could result in very high losses for the Group;
- **The Training Initiatives and Operational Risk Culture /Awareness**; Group Operational Risk Management Division promotes awareness and knowledge on operational risk at all levels of the organization.

The Operational Risk Committee's ("ORCO") mandate was updated in 2019.

During 2019 the ORCO convened four times, where amongst other issues the members:

- approved a number of Policies that constitute part of the ORMF as well as the Business Continuity Management System and the Information Security Policies;
- were informed on the 2019 Scenario Analysis results concerning the Group Top Operational Risks;
- were updated on Litigation Risk issues as well as on the Outsourcing Risk Assessment procedure developed by the Group Operational Risk Management Division;
- were updated on outstanding Issues & Remediation Actions;
- received a progress report update on the status of all Operational Risk Programs.

Model Risk

Model risk is the risk of the potential loss an institution may incur, arising from inadequate/incorrect decisions due to errors in the development, implementation or use of models employed by the Bank.

Model risk occurs primarily for two reasons:

- a model may produce inaccurate outputs due to errors in its design, methodology, data inputs or implementation;
- a model may be used incorrectly or inappropriately, without taking the proper considerations regarding its limitations and assumptions.

Model risk is measured, monitored, and controlled by the MVU. Specifically, the MVU has defined a set of policies, guidelines, methodologies and controls that comprise the model risk management framework. The proper application of the aforementioned framework during a model's lifecycle, enables the MVU to perform and to be engaged in various control activities as part of the model validation process. In case deficiencies are identified after a model validation exercise, the MVU issues Required Action Items ("RAIs") which are acted upon, after appropriate Management's approval. This process effects material changes to the Bank's models and processes and leads to sound model risk management.

Since 2018, the MVU has organized its tasks towards the following directions, in order to materialize the above mentioned framework:

- *Key Policy and Governance Elements*: The MVU has updated the Bank's Model Validation Policy and also developed and introduced in a phased approach, subordinate to the Policy documents and guidelines related to model risk management. Based on these, relevant controls have been designed and an issue and action plan management workflow has been inaugurated. The MVU has compiled a set of business processes that serve in managing the model's lifecycle and has also drafted model risk quantification guidelines.
- *Model Risk Management Tools and Platform:* The MVU has put in effect automation tools and has developed in-house processes and libraries, following best practices and engineering standards, which are used by internal and external personnel so as to effectively perform validation exercises. The MVU is also part of the new *GRC* platform

implementation team. The platform will include a model risk management module which will be customized in order to comply with the Bank's framework. The module will further embed the framework into the Bank's daily processes.

During 2020 the MVU will continue to undertake initiatives in the above two directions. Furthermore, it will also formulate processes related to internal and external communication through the issuance of internal directives related to the GRC platform's "Model Risk Module" use and related model lifecycle stages, training of the appropriate personnel accordingly and finally, working in embedding the reporting stream produced by various control units into the GRC platform, when such reports are pertinent to the model risk management process as encoded in the MVU's recorded controls.

The Key aspects of the model risk management framework are:

- *Policies and Processes:* In order to ensure the timely and effective model risk quantification and manage it in its entirety, a comprehensive set of guidelines regarding the utilized models' lifecycle as well as policy and methodology documents pertinent to model governance, management and validation have been introduced. The set consists of clear and streamlined workflows and methodology documents resulting from the MVU's "deep dive" analysis on the Banks' existing business processes and the relevant regulatory framework.

- *Model Tiering and Model Risk Estimation:* As required by the regulator, the scrutiny under which each model is validated, monitored and managed is proportional to the model's materiality. The MVU has introduced a model tiering procedure with the specific intent of ascertaining the level of a model's importance or significance. Furthermore, the aforementioned classification and the models' validation outcome are appropriately combined in an internally designed methodology, in order to quantify Model Risk in terms of capital.

- *Issues and Action Plans:* The MVU follows a specific business process, implemented in the Bank's issue tracking system, for the purpose of communicating model issues to the model owners, tracking their statuses, approving action plans while following their execution and finally reporting issue completion to the BRC. This process ensures that validation exercises effect real change, leading to active model risk management and are not performed strictly for reporting purposes.

- *Model Inventory and Model Risk Module ("MRM") Platform:* The Group's Risk and Control units have worked extensively towards the adoption of a workflow management system which aims, among other purposes, to automate the majority of the procedures related with the models' lifecycle. The platform will also contain the MVU's model inventory comprising a thorough and inclusive, in terms of model attributes, model registry. The attributes will provide the proper support to the above mentioned issues workflow management system. Furthermore, they will be utilized – in their entirety or partly – as a pool of inputs for Model Risk estimation purposes. The inventory aims to become the Bank's comprehensive model repository and to play an essential role in the centralized and holistic approach of Model Risk assessment.

The structure of the model risk management process followed by the MVU, is built around a set of distinct phases.

Initially, when a new model is to be developed, it has to be registered to the Model Inventory by its owner. Effective Model Risk Management requires a complete and exhaustive inventory of the models employed by the Bank, so as to prioritize validation exercises, tier and monitor model risk. During the model's development phase, the MVU is kept informed on the process's progress status. On model development completion, the Model Inventory is updated by the model owner with pertinent material that will enable model tiering, model risk assessment and model review and validation processes to be performed if needed.

After a model is developed, if it is assessed to have material model risk, its independent Initial Validation is required. The Initial Validation exercise is also a key component of model risk management, as it enables an accurate Model Risk estimation. During an Initial Validation exercise, the model is examined through a series of controls that are designed to mitigate specific areas of model risk sources, such as input and data issues, model design deficiencies, non-adherence to internal or/and external requirements, improper model use, erroneous implementation and inadequate model performance. These checks are performed utilizing a set of inputs made available by the model owner through the GRC platform such as data quality reports, the model development report, model use reports etc. The outcome of the model validation exercise is the level of the model's risk rating, its approval / rejection status and a list of RAIs, if any issues / deficiencies are observed and need to be resolved.

Following the model's approval by the competent management level or committee, the model is implemented in the system in which it will be used. The implementation phase consists an additional source of model risk. The MVU conducts an implementation review where the implementation process and available reports covering IT and UAT tests are examined, so as to determine if the deployed model is fit for purpose and functions as expected. Deployed models and their correct use are regularly monitored by their respective owners, but are also additionally re-visited by the MVU through ongoing validation exercises (yearly in case of models that present material model risk, or less frequently for the rest of the models), focused mainly on stability and model performance. Any validation exercise can produce RAIs and possibly initiate the creation of a new model version in case of material changes. This process kicks-off a new cycle of model maintenance through the regular review, evaluation, model risk estimation and model change process described above.

Other Risk Factors

Cyber security

The Group's operational systems and networks have been, and will continue to be, exposed and vulnerable to an increasing risk of continually evolving cyber security or other technological risks which could result in the unavailability of IT services or in the disclosure of confidential client or customer information, damage to its reputation, additional costs to it, regulatory penalties and financial losses.

A significant portion of the Group's operations rely heavily on the secure processing, storage and transmission of confidential and other information as well as the monitoring of a large number of complex transactions on a minute by minute basis. The Group stores an extensive amount of personal and client specific information for its retail, corporate and governmental customers and clients and must accurately record and reflect their extensive account transactions. These activities have been, and will continue to be, subject to an increasing risk of cyber-attacks, the nature of which is continually evolving.

The Group endeavours to safeguard its systems and processes and strives to continuously monitor and develop them to protect its technology infrastructure and data from misappropriation. However, its computer systems, software and networks have been and will continue to be exposed and possibly vulnerable to unauthorized access, loss or destruction of data (including confidential client information), account takeovers, unavailability of service, computer viruses or other malicious code, cyber-attacks and other external attacks or events, as well as internal breaches. These threats may derive from human error, fraud or malice on the part of employees or third parties, or may result from accidental technological failure. If one or more of these events occurs, it could result in the disclosure of confidential client information, damage to the Group's reputation with its clients and the market, additional costs to it (such as repairing systems or adding new personnel or protection technologies), regulatory penalties and financial losses to both it and its clients. Such events could also cause interruptions or malfunctions in the Group's operations (such as the lack of availability of its online banking systems) or otherwise hinder its operational effectiveness, as well as the operations of its clients, customers or other third parties. Given the volume of its transactions, certain errors or actions may be repeated or compounded before they are discovered and rectified, which would further increase these costs and consequences.

In addition, third parties with which the Group does business may also be sources of cyber security or other technological risks. The Group outsources a limited number of supporting functions, such as printing of customer credit card statements, which results in the storage and processing of customer information. Although the Group adopts a range of actions to eliminate the exposure resulting from outsourcing, such as not allowing third party access to the production systems and operating a highly controlled IT environment, unauthorized access, loss or destruction of data or other cyber incidents could occur, resulting in similar costs and consequences to the Group as those discussed above.

The EU General Data Protection Regulation was directly applicable in Greece as of 25 May 2018 and the penalties in case of personal data leakage could impact the Bank and the Group.

While the Group maintains insurance coverage that may, subject to policy terms and conditions, cover certain aspects of cyber risks such as fraud and financial crime, such insurance coverage may be insufficient to cover all losses.

Deferred tax assets as regulatory capital or as an asset

Risk related to the recognition of the main part of deferred tax assets as regulatory capital or as an asset

The Group currently includes deferred tax assets ("DTAs") in calculating the Group's capital and capital adequacy ratios. As at 31 December 2019, the Group's DTAs, excluding the amount of the DTA that was classified as non-current assets held for sale, amounted to €4.9 billion (31 December 2018: €4.9 billion).

The Bank reviews the carrying amount of its DTAs at each reporting date, and such review may lead to a reduction in the value of the DTAs on the Bank's statement of financial position, and therefore reduce the value of the DTAs as included in the Group's regulatory capital.

EU Regulation 575/2013 provides that DTAs recognized for IFRS purposes that rely on future profitability and arise from temporary differences of a credit institution and exceed certain thresholds must be deducted from its CET1 capital. This deduction was implemented gradually until 2019.

The deduction would have a significant impact on Greek credit institutions, including the Bank. However, as a measure to mitigate the effects of the deduction, article 27A of Greek Law 4172/2013, ("DTC Law"), as currently in force, allows credit institutions, under certain conditions, and from 2017 onwards to convert DTAs arising from (a) private sector initiative ("PSI") losses, (b) accumulated provisions for credit losses recognized as at 30 June 2015, (c) losses from final write off or the disposal of loans and (d) accounting write offs, which will ultimately lead to final write offs and losses from disposals, to a receivable ("Tax Credit") from the Greek State. Items (c) and (d) above were added with Greek Law 4465/2017 enacted on 29 March 2017. The same Greek Law 4465/2017 provided that the total tax relating to cases (b) to (d) above cannot exceed the tax corresponding to accumulated provisions recorded up to 30 June 2015 less (a) any definitive and cleared Tax Credit, which arose in the case of accounting loss for a year according to the provisions of par.2 of article 27A, which relate to the above accumulated provisions, (b) the amount of tax corresponding to any subsequent specific tax provisions, which relate to the above accumulated provisions and (c) the amount of the tax corresponding to the annual amortization of the debit difference that corresponds to the above provisions and other losses in general arising due to credit risk.

Furthermore, Greek Law 4465/2017 amended article 27 "Carry forward losses" by introducing an amortization period of 20 years for losses due to loan write offs as part of a settlement or restructuring and losses that crystallize as a result of a disposal of loans.

As at 31 December 2019, Group's eligible DTAs amounted to €4.5 billion (31 December 2018: €4.6 billion). The main condition for the conversion of DTAs to a Tax Credit is the existence of an accounting loss at Bank level of a respective year, starting from accounting year 2016 and onwards. The Tax Credits will be calculated as a ratio of IFRS accounting losses to net equity (excluding the year's losses) on a solo basis and such ratio will be applied to the remaining Eligible DTAs in a given year to calculate the Tax Credit that will be converted in that year, in respect of the prior tax year. The Tax Credit may be offset against income taxes payable. The non-offset part of the Tax Credit is immediately recognized as a receivable from the Greek State. The Bank is obliged to issue conversion rights to the Greek State for an amount of 100% of the Tax Credit in favour of the Greek State and will create a specific reserve for an equal amount. Common shareholders have pre-emption rights on these conversion rights. The reserve will be capitalized with the issuance of common shares in favour of the Greek State. This legislation allows credit institutions to treat such DTAs as not "relying on future profitability" according to Capital Requirement Directive ("CRD") IV, and as a result such DTAs are not deducted from CET1, hence improving a credit institution's capital position.

On 7 November 2014, the Bank convened an extraordinary General Shareholders Meeting which resolved to include the Bank in the DTC Law. An exit by the Bank from the provisions of the DTC Law requires regulatory approval and a General Shareholders meeting resolution.

If the regulations governing the use of Deferred Tax Credit ("DTCs") as part of the Group's regulatory capital change, this may affect the Group's capital base and consequently its capital ratios. As at 31 December 2019, 74.7% of the Group's CET1 capital was comprised of DTC. Additionally, there can be no assurance that any final interpretation of the amendments described above will not change or that the European Commission will not rule the treatment of the DTCs under Greek law illegal and as a result Greek credit institutions will ultimately not be allowed to maintain certain DTCs as regulatory capital. If any of these risks materialize, this could have a material adverse effect on the Group's ability to maintain sufficient regulatory capital, which may in turn require the Group to issue additional instruments qualifying as regulatory capital, to liquidate assets, to curtail business or to take any other actions, any of which may have a material adverse effect on the Group's operating results and financial condition and prospects.

Risk related to COVID-19 outbreak

The COVID-19 outbreak is a new emerging risk. Our priority is always the well-being of our customers and staff. Therefore, we have invoked our business continuity plans to ensure the safety and well-being of our staff, as well as our capability to support our customers and maintain our business operations.

The COVID-19 outbreak, and most importantly, the rapid spread of the epidemic globally, is now expected to adversely affect economic activity worldwide, with the Greek economy facing significant challenges in view of the important role of services in economic activity and its relatively shallow production structure (high dependence on imports). The evolution of the disease and its economic impact remains highly uncertain. Against this backdrop of ongoing downward revisions of growth forecasts for the global economy and the euro area, in conjunction with Greece's high dependency on inbound tourism, Greek GDP growth is expected to substantially deviate from the official scenario in 2020. For accounting purposes, COVID-19 outbreak is considered as a non-adjusting event.

Reported Results

Depending on how the situation develops and the duration of the disruption, there is the potential for any associated economic slowdown to impact our expected credit losses. It is also possible that we may see revenue reductions from lower lending and transaction volumes, which may impact our RWA and capital position.

ECL Calculation

While our economic scenarios used to calculate ECL capture a range of outcomes, the potential economic impact of the COVID-19 was not considered at the year - end due to the limited information and emergent nature of the outbreak in Greece which occurred in February 2020.

Events after the reporting period

The ECL at 31 December 2019 was estimated based on a range of forecast economic conditions as at that date. The impact on GDP and other key indicators will be considered when determining the severity and likelihood of downside economic scenarios that will be used to estimate ECL under IFRS 9 in 2020, upon assessment of the duration of the disruption caused by the virus.

The COVID-19 outbreak and uncertainties surrounding the evolution of the disease and its economic impact remain highly uncertain, we continue to monitor the situation closely.

Non-Financial Statement

Corporate Responsibility

CSR Highlights 2019

Awards & Distinctions

In recognition of its ongoing endeavour to serve the needs of its customers and shareholders, and to provide full and transparent information on its CSR actions, NBG received a number of important awards and distinctions in 2019, including:

"Best Corporate Governance" award from CFI:

NBG has been nominated for the "Best Corporate Governance – Greece" award for 2019 from the international organization Capital Finance International (CFI), while for the previous three years, NBG was named "Best Corporate Governance – Greece" on the basis of the corporate governance practices it has in place. CFI enjoys the support of international bodies and organizations such as the Organisation for Economic Co-operation and Development (OECD), the European Bank for Reconstruction and Development (EBRD) and the United Nations Conference on Trade and Development (UNCTAD).

The Bank successfully completed a certification process for five (5) international standards and more specifically the:

- **Compliance Management, as set out in ISO 19600: 2014 International Guide**,
- **Corporate Social Responsibility ("CSR") as set out in ISO 26000: 2010 International Guide.**
- **Corporate Governance (EBA's Guidelines on Internal Governance | EBA-GL-2017-11)**

The above attestations were achieved in September, November and December 2019, respectively.

- **Certification for Quality Management (ISO 9001:2015)**
- **Certification and Anti-bribery (ISO 37001:2016)**.

These were achieved in January and February 2020, respectively.

The aforementioned standards provide guidance for establishing, developing, implementing, evaluating, maintaining and improving an effective and responsive compliance management system within an organization and are based on the principles of good governance, proportionality, transparency and sustainability.

Business Awards "HRIMA 2019":

NBG was awarded 2nd prize in the category **"BEST BANK - 2019"** and 2nd prize in the category **"CORPORATE GOVERNANCE - 2019"** at the **"Business Awards HRIMA 2019"**.

CR INDEX 2018-2019 award:

The Corporate Responsibility Institute rewarded NBG's initiatives to integrate CSR in its business strategy by fostering activities that generate benefits for the community, the environment, its employees, and the market. NBG, which participated for the eighth time in the CR Index, succeeded for yet another year in gaining the highest Diamond award for 2018-2019. It serves as recognition of the Bank's policy, actions and initiatives developed in order to support society at large. The CR Index is an important international rating index of the performance of corporations in the area of CSR and is used as a national CSR index in various countries. A key rating tool, it also serves as a benchmark for comparative evaluation of CSR performance in four specific areas: Community, the Environment, Employees and the Market.

"Business IT Excellence Awards 2019":

Organized by Netweek Magazine and the Electronic Business Lab (ELTRUN) of the Athens University of Economics and Business, where NBG's upgraded Mobile Banking with **"intelligent financial management"** won three awards:

- **Gold award** in the category **"Specialized Sector Applications: Banks/Insurance Companies/Fintech"**
- **Gold award** in the category **"New Technological Trends in Applications: Artificial Intelligence"**
- **Silver award** in the category **"New Technological Trends in Applications: Mobile"**.

"Mobile Excellence Awards 2019":

Organized by Bussias Communications with the support of: ELTRUN, ECB, HAMAC, SEPE, GECA, EIP and Hellenic CIO Forum of HMA. NBG Mobile Banking won the following four awards:

- **Gold award** in the category "Mobile Applications in Services and Governance: Payment and Money Transfer"
- **Silver award** in the category **"Design and Development of Mobile Applications: Usability"**
- **Silver award** in the category **"Mobile Application Design and Development: Innovative Mobile Development"**
- **Silver award** in the category **"Mobile Applications in Services and Governance: Banking services"**

"E-volution Awards 2020":

Organized by Bussias Communications for e-business awards in collaboration with ELTRUN. NBG won two awards:

- **Gold award** in the category **"e-Banking Services & Electronic Payment Systems"** for the integrated Digital Offering for Individuals
- **Silver award** in the category **"Specialized Practices & Strategy: Mobile app"** for the new Mobile Banking.

Memberships / Participations

UN Global Compact:

NBG has joined the voluntary initiative of the United Nations, UN Global Compact as a Participant.

The Hellenic Network for Corporate Social Responsibility:

NBG has been a core member of the Hellenic Network for Corporate Social Responsibility ("CSR") since December 2008.

Hellenic Bank Association (HBA):

NBG takes part in the regulatory process and the decision making process regarding the drafting of relevant legislation. With regard to actions related to sustainable development, the HBA has set up an interbank Committee of which NBG is an active member.

Indexes / Ratings

Bloomberg Gender Equality Index 2020:

NBG was included in the group of 325 international companies whose business covers various sectors that make up the Bloomberg Gender Equality Index 2020.

FTSE4Good Emerging Index:

NBG has been positively assessed for its social and environmental performance by independent analysts and as a result it has been included in the FTSE4Good Emerging Index.

2019 MSCI Research:

In 2019 MSCI research upgraded NBG to level «BBB», compared with level «BB» in 2018 regarding the evaluation criteria used ("ESG Ratings").

Carbon Disclosure Project:

NBG has published since 2007 through the independent non-profit Organization Carbon Disclosure Project, information about its strategy regarding the greenhouse effect and data on its water consumption and CO2 emissions.

ISS Corporate Solutions:

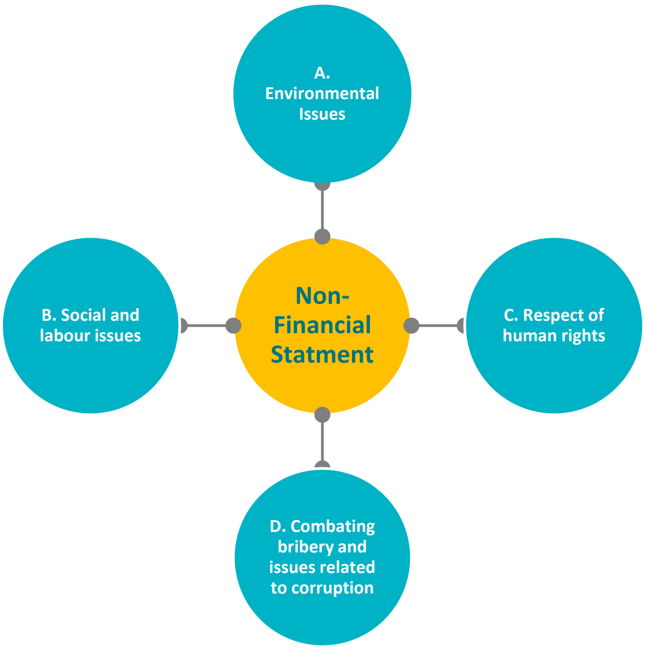
NBG was rated by ISS Corporate Solutions regarding the pillars of “Environment”, “Society” and “Governance”. The Bank was ranked in the top category 1 “Highest Rating by Institutional Shareholder Services” for the "Environment” pillar and in the higher category 2 for the “Social” pillar.

Certifications

Attestation of the implementation of ISO 26000:2010 on Corporate Social Responsibility

From 2010 onwards the **CSR Report of the Bank is annually certified by an independent Assurance Body** and includes performance indicators (KPI's) for Sustainable Development and Corporate Responsibility.

In accordance with the Articles 151 and 154 of Greek Law 4548/2018 as in force, the Bank has included in its Board of Directors Report a non-financial statement aiming at the understanding of the development, performance, level and impact of the activities of the Bank and the Group. In the context of the aforementioned provisions, the non-financial statement includes the following sections:



Within the scope of the requirement for the disclosure of non-financial information, the Bank took into account international practices and standards such as the Organisation for Economic Co-operation and Development ("OECD") Guidelines for Multinational Enterprises (2011).

A. Environmental Issues

The Bank, as a large banking group of the country, considering that sustainability issues are critical, both for the development of its activities and the decision making processes has already been voluntarily adjusting to internationally best practices. In particular, it has established and implements the Corporate Social Responsibility Policy of the Bank and the Group, the Environmental Policy, the Code of Ethics, the Code of Ethics for Financial Professionals and the Corporate Governance Code, while it has developed since 2004 an Environmental Management System which is in conformity with the requirements of the international standard ISO 14001.

Environmental Management Policy and Corporate Social Responsibility Policy of the Bank and the Group

In the context of the Environmental Management System, the Bank's total environmental impact was analysed and led to the formation of the following five key principles of NBG's Action Program:

1. **Conservation of natural resources and energy.**
2. **Rationalization of work-related travel and commuting.**
3. **Effective management of paper and solid waste.**
4. **Deployment of environmental standards in procurements.**
5. **Deployment of an environmental risk assessment policy in investment and credit processes.**

Moreover, the Bank has been positively assessed for its social and environmental performance by independent analysts and as a result it has been included in the FTSE4Good Emerging Index. It has also published since 2007 through the independent non-profit Organization Carbon Disclosure Project, information about its strategy regarding the greenhouse effect and data on its water consumption and CO_2 emissions. In addition, in 2019 NBG was rated by ISS Corporate Solutions regarding the pillars of "Environment", "Society" and "Governance". The Bank was ranked in the top category 1 "Highest Rating by Institutional Shareholder Services" for the "Environment" pillar and in the higher category 2 for the "Social" pillar. This performance is another confirmation of the Bank's high level of environmental and social responsibility.

In 2019 MSCI Research upgraded NBG to level «BBB», compared with level «BB» in 2018 regarding the evaluation criteria used ("ESG Ratings").

Aiming at the continuous promotion of the concept of sustainable development and corporate social responsibility, the Bank participates in relevant Associations and Initiatives.

Specifically:

The Hellenic Network for Corporate Social Responsibility:

NBG has been a core member of the Hellenic Network for Corporate Social Responsibility ("CSR") since December 2008.

Hellenic Bank Association (HBA):

Through its participation in the HBA, NBG takes part in the regulatory process and the decision making process regarding the drafting of relevant legislation. With regard to actions related to sustainable development, the HBA has set up an interbank Committee of which NBG is a member.

In addition to this, the Bank organizes educational seminars for providing training and certifications on its staff dealing with CSR issues of the Units. Furthermore, the Bank has included in its educational program «CREDIT ACADEMY» an one-day training cycle, regarding CSR issues, environmental policy and management, sustainable finance and human rights. Through this training program, 63 executives of the Bank were informed/trained on the above issues, during 2019.

Finally, the Bank has been publishing since 2007 a CSR Report by applying the relevant Guidelines of GRI. From 2010 onwards the CSR Report of the Bank is annually certified by an independent Assurance Body and includes performance indicators (KPI's) for Sustainable Development and Corporate Responsibility.

B. Social and labour issues

Corporate Social Responsibility of the Bank and the Group

As mentioned above, the Bank draws up a Corporate Social Responsibility Report, while it provides information under its evaluation by third parties and a variety of Rating Services regarding the corporate responsibility actions carried out. What shall be further noted is that the Bank in order to include the stakeholders (authorities, State, NGOs, media, employees, business people, suppliers, shareholders, investors, etc.) in the process of identifying, understanding and responding to CSR issues, applies the AA1000 Accountability Principles Standard (APS) 2008. The AA1000 APS and the Guidelines of GRI Standards, are the basis for the Bank's CSR report.

Subsequently, the Bank proceeds in concrete actions aimed at meeting the needs and expectations of stakeholders in order to enhance cooperation with each group of stakeholders and address their key issues and expectations.

Policy on Donations, Sponsorships, Charity Contributions and other Actions of the Group

NBG Group has developed and implemented, since May 2016, Policy on Donations, Sponsorships, Charity Contributions and other Actions of the Group. This Policy aims, among others, at setting specific principles and rules concerning actions related to donations, sponsorships, charitable contributions, scholarships and other related activities in the context of this Policy, at ensuring high level of ethics on donations, complying with the applicable legal and regulatory framework regarding actions that fall into the scope of this policy (e.g. transparency) as well as adopting procedures that promote transparency in NBG Group's donations. According to the Policy, the NBG Group shall not undertake and / or participate in actions to support political organizations, parties or movements.

Furthermore, in accordance with international best practices related to donations, sponsorships and other related actions and in compliance with the provisions of Article 6 of Greek Law 4374/2016 regarding transparency in the relationships between banks and media companies and sponsored persons, the Bank discloses information on all payments made within the relevant fiscal year, to media companies and sponsored persons.

Code of Ethics

As defined within the Code of Ethics of the Bank and the Group, the Bank constantly aims at ensuring equal treatment of all staff members. The Bank:

- Has developed a meritocratic system for the assessment of performance, promotions and remuneration of the staff.
- Provides pleasant and safe working conditions, respecting the balance between work and personal life, and ensuring that equal opportunities are provided to employees.
- Believes in the constant improvement of the staff's skills and holds significant training and educational programs for the staff's professional development. Within this context, NBG covers the expenses of staff enabling their participation in training courses in Greece and abroad.

The Bank's and the Group companies' philosophy is founded on respect for each employee's personality. The protection of human dignity is fundamental and, as a result, the Group constantly seeks to develop a harmonious working environment. To this end, the Group:

- Rejects any kind of social exclusion.
- Provides equal opportunities for promotion and professional career development regardless of gender, age, religion, nationality.
- Implements a meritocratic system to assess the performance, promotion and remuneration of staff.
- Designs and implements actions, development and incentive systems aiming at recruitment, selection and further leverage of human resources.
- Invests in the employees' training through the use of modern methods as well as the employees' development through a training plan tailored to the needs of each job position, so as to ensure that the full potential of the employees is exploited and that they can adapt in a timely and smooth manner to the ever increasing requirements for new knowledge, skills and specializations in a rapidly changing business environment.
- Does not use any kind of forced labour.
- Does not accept any kind of offensive behaviour against one's personality (for example moral, sexual or other kind of harassment, intimidation, persecution and other) or unfair treatment due to nationality, race, gender, family status, religious or political views or physical disabilities.

Health and safety in the workplace remain a priority both for the Bank and the Group companies in order to ensure a safe working environment, enhance the quality of employees' professional life, and prevent any associated risks (see section "*Risk Management Other Risk factors - Risk related to COVID-19*").

Within this context, the Bank carries out regular controls to ensure the adequacy and appropriateness of existing health and safety standards in the workplace while it has also developed plans for handling emergencies.

The Code of Ethics is posted on the Bank's website www.nbg.gr (section: The Group / Corporate Governance / Regulations and Principles). Furthermore, all of the Bank's staff has been trained through a special e-learning program, regarding the content of the Code of Ethics.

C. Respect of human rights

The Code of Ethics clearly sets out the rules that frame the actions of the employees and the Management. To this end, the Bank:

- Does not use any kind of forced labour.
- Does not accept any kind of offensive behaviour against one's personality (for example moral, sexual or other kind of harassment, intimidation, persecution and other) or unfair treatment due to nationality, race, gender, family status, religious or political views or physical disabilities.
- Rejects any kind of social exclusion.

The Bank also incorporates terms and corporate responsibility standards in tender notices and in agreements with its suppliers, as prescribed by the relevant EU directives on issues relating to environmental protection, respect of human / labour rights and child labour, health and safety at work, and social equality and solidarity.

The Bank and its Subsidiaries comply fully with the decisions prohibiting cooperation with countries, companies or persons who foster violence and terrorism.

For the third consecutive year the Bank's participation in the international index Bloomberg Gender Equality Index (GEI), proves the constant dedication to Corporate Social Responsibility and Sustainable Development, as well as its commitment to continue and strengthen gender equality initiatives and eliminate all forms of discrimination.

The Bloomberg Gender Equality Index (GEI) is an internationally recognized gender equality index that is constantly expanding to a wide range of companies, now reaching 325 companies from 42 countries.

The Bank's policies on gender equality, non-discrimination (such as pay, education and development, benefits, etc.) and its corporate culture for labour equal opportunities were assessed for Bank's inclusion in the Gender Equality Index.

D. Combating bribery and issues related to corruption

In Greece, bribery (either active or passive) is considered a criminal act and is punished according to the provisions of the Penal Code. Furthermore, bribery is one of the main offenses of Greek Law 4557/2018, as in force, regarding the prevention of money laundering and the combat of terrorism. Moreover, Greece has ratified/adopted the following Conventions:

- The Convention of the Organization for Economic Cooperation and Development (O.E.C.D.) on Combating Bribery of Foreign Public Officials in International Business Transactions (through Greek Law 2656/1998); and
- The Convention on Combating Bribery of Foreign Public Officials of the E.U. Member States (1997), (through Greek Law 2802/2000).

Moreover, the Bank has joined the voluntary initiative of the United Nations, UN Global Compact as a "Participant", which lays great emphasis on anti-corruption issues. More detailed information on the said initiative is presented below, within CSR section.

The Group's fundamental values and principles governing its business activities strongly emphasize the importance of ensuring ethical conduct at all times, while the Group shows zero tolerance on corruption and bribery and it is of its high priorities to prevent and combat them. The Bank's activities entail exposure to corruption and bribery phenomena, which if not appropriately and timely managed, they may present a significant risk for the Bank, and could adversely affect its financial results, with a serious impact on the Bank and its subsidiaries' reputation, as well as on the further development of its activities, while they could cause adverse effects on the interests of its clients, shareholders and employees.

In this context, preventive control mechanisms are applied so as to safeguard against any potential risk of bribery and corruption to which the Bank may be exposed in the course of its business/operations.

This approach is reflected in the Codes and Policies that the Bank has adopted, on the controls embedded within the procedures followed in the Bank's day-to- day operations and on the monitoring and audit processes applied.

The Bank has in place procedures and internal controls which serve to mitigate potential risk and ensure that the Bank is compliant with laws and regulations, which in the event of non-compliance could have a material effect on the financial statements. The effective operation of these procedures and internal controls are independently monitored by the various control functions and audited by the Group Internal Audit Function, while the Audit Committee of the Bank's Board of Directors and the Board of Directors are duly informed through reporting on internal controls by the various control functions. Furthermore, Management performs an annual assessment of the internal controls over financial reporting in order to provide reasonable assurance as regards the soundness of the financial statements preparation process.

Additionally, in accordance with particular requirements which the applicable regulatory framework (Bank of Greece Governor's Act 2577/2006) imposes in this respect, external auditors review and assess the effectiveness of the Bank's Internal Control System on a three-year basis.

A set of Codes and Policies which the Board of Directors has approved include several measures against the risk of bribery and corruption. Indicatively, such measures are incorporated in the NBG Group Code of Ethics, the Code of Ethics for Financial Professionals, the Anti-Fraud Policy, the Conflict of Interest Policy and the Anti-Bribery Policy.

Furthermore, process level controls are in place for the timely prevention or detection of fraud risks. Such controls may include clearly defined approval / authorization levels, segregation of duties, IT embedded controls, access rights, reconciliation controls etc.

At a further level, the Whistleblowing Policy in force, provides for the existence of appropriate communication channels enabling the submission of whistle-blowers' reports, both in case these may come from within the Bank as well as in case such are being submitted by third-parties.

The Board of Directors is committed to prevent bribery and corruption and promotes the establishment of a culture against them, according to which any form of bribery and corruption is non-acceptable, while it is responsible for approving the relevant Policies, as well as overseeing its implementation and periodic assessment. Additionally, updates and evaluations of the System of Internal Control in general, as well as any material incidents identified are reported to the Bank's Audit Committee and the Board of Directors.

Further, mandatory learning programs on the NBG Group's applicable Code of Ethics, which, focuses, among others, on bribery and corruption issues, are provided to all employees of the Bank, and all personnel has access to the internal e-communication network of the Bank (intranet), through which they are able to get prompt and full information on all key matters regarding NBG Group's developments and operations, including internal communication announcements, internal circulars, policies that the Bank has in place etc.

In this context, with the Bank laying great emphasis on ensuring that the highest standards on ethics and integrity are applied throughout all of its activities in accordance with international best practices, the Bank has established the Ethics and Culture Committee of the Board of Directors.

Information on the Committee's responsibilities and workings in 2019 is presented below in the Corporate Governance Statement, under Section D. Board of Directors and other management, administrative and supervisory Bodies.

Additionally, detailed information on the responsibilities, composition and modus operandi of the Ethics and Culture Committee is included in the Charter of the Committee posted on the Bank's website, at www.nbg.gr (section: The Group / Corporate Governance / Board of Directors / Committees).

With a view to the Bank's full compliance with the current legal and regulatory framework, as well as international best practices and guidelines regarding the combating of corruption and bribery, and considering that these phenomena are very common in international business transactions and undermine the effective corporate governance of the companies, the Bank has in place the following arrangements, policies and codes:

NBG Group Code of Ethics

The Principles of the Code of Ethics are based on the fundamental values that the Bank follows in its business activities, taking into account the relevant provisions under the national, European and international legal and regulatory framework under which Management and all staff perform their duties with the purpose of the protection of the interests of employees, customers and shareholders, the proper functioning of the financial environment, as well as the enhancement of credibility, solvency and reputation of the Bank and the Group. The Code is available on the Bank's website (www.nbg.gr). Through this publication, the Bank seeks to enhance its transparency as each person is able to acknowledge and assess the core values, principles and rules governing the operation of the Group.

Code of Ethics for Financial Professionals

The Code of Ethics for Financial Professionals sets out the key ethical obligations and standards of conduct applying to persons who are involved in the procedures for the preparation, compilation and submission of financial statements and other financial disclosures of the Bank and the Group companies. Its main purpose is to promote ethical conduct, including the prevention of situations where there is actual or potential conflict of interest, to promote transparency and ethical conduct during the performance of Financial Professionals' duties as well as to ensure compliance with the applicable regulatory framework, complete and accurate preparation of financial statements and any other financial disclosures, timely submission of internal reports in the event of the Code's breach and binding of Financial Professionals to comply with the provisions of the Code and the ethical rules underlying the regulatory framework applying to the Bank and/or the Group companies.

The Code of Ethics for Financial Professionals is available on the Bank's website www.nbg.gr (section: the Group / Corporate Governance / Regulations and Principles).

Bank and Group Anti-bribery Policy

The Bank and Group Anti-Bribery Policy has been set according to the requirements of the legal framework for combating bribery as well as the international best practices and guidelines of international organizations and bodies for preventing and combating financial crime (OECD, FATF, Wolfsberg Group, etc.).

The Anti-bribery Policy applies to all members of the Board of Directors, senior executives, the employees of the Bank and the Group, and generally to any person working for the Group whether under a contract of employment or otherwise, and:

- Binds third parties who perform services for or on behalf of the Group
- Establishes specific principles and rules governing the Group's activities for the prevention and combat of bribery
- Adopts procedures which discourage bribery and corruption practices, such as procedures on bribery risk assessment, handling of gifts and business hospitality, donations to political parties and charitable institutions, evaluation of third parties etc.
- Encourages confidential reporting of suspicions, through the appropriate communication channels, which ensures the protection of individuals and the appropriate investigation of the reported event.

Whistleblowing Policy for the Bank and the Group

The Bank has adopted the Whistleblowing Policy for the Bank and the Group through which procedures are established for the submission of confidential reports or comments by any party, either anonymously or not, regarding behaviour of the Bank and the Group's executives, which indicate the existence of an irregular activity or misconduct or omission relating to breaches in regards to internal Policies and Procedures. The Policy complies with the provisions of Greek Law 4261 / 2014 regarding the internal procedures for violation complaints.

The Ethics and Culture Committee and the Audit Committee of the Bank's Board of Directors are responsible for the establishment and the continuous monitoring of the implementation of these procedures, which ensure confidentiality and secrecy of the reports or comments received.

Contact details for the submission of confidential reports are available on the Bank's website www.nbg.gr (section: The Group / Corporate Governance / Contact Information/ Contact Audit Committee).

Anti-Fraud Policy

The Bank, as all credit institutions, is exposed to the risk of fraud and illegal activities of any type, which, if not addressed in a timely and effective manner, they could have negative effects on its business activities, financial condition, results of its activities and its prospects for success.

Management, has among its highest priorities the prevention and combating of fraud as well as of any other irregular activity, and accounting and auditing practice inconsistent with international practices and applicable provisions, activities which are contrary to the fundamental Values and Principles governing the Bank and the Group's business activities.

Through the Anti-Fraud Policy, and taking into account the obligations stemming from the institutional, legal and regulatory framework, at a national and international level, the Bank aims at:

- defining specific principles and rules for the prevention and combating of fraud and developing a single business conduct for its handling,
- raising awareness and vigilance of Group employees for the detection and avoidance of actions related to fraud,
- encouraging the submission of confidential reports on suspicions of fraud, through appropriate communication channels that ensure the protection of the persons and the proper investigation of the reported incident,
- developing systems, procedures and control mechanisms that help to promote prevention and combating of fraud.

Prevention of conflicts of interest

The Bank and the Group Companies place emphasis and take the appropriate measures to handle cases that may cause or lead to conflict of interest within the context of the services they provide. With the purpose of preventing real or potential cases of conflict of interest, the Bank and the Group has adopted the following policies:

- Policy for avoiding Conflicts of Interest for Board Members, Senior Executives and other Related Parties of NBG, to control and manage real or potential conflicts of interests between the Bank and its Board Members, Senior Executives and other Related Parties.
- Conflict of Interest Policy that sets out the framework for the prevention, detection and management of conflict of interest between the Bank, the Group and its customers, as well as among the customers themselves during the provision of investment and ancillary services.

Policy for Connected Borrowers of the Bank and the Group in Greece, established with the purpose of ensuring that Connected Borrowers are not treated preferentially in comparison to non-Connected Borrowers, i.e. the same criteria as those stipulated by the relevant Credit Policies of the Bank shall apply for Connected Borrowers. The Policy establishes the basic rules applying in extending credits and in the treatment of forbearance and restructuring requests concerning loans of Connected Borrowers, while it facilitates the monitoring of appropriate implementation of the Policy through special functionality that has been developed in the Bank's system.

Policies for combating money laundering and terrorist financing issues

The Bank and the Group consider of primary importance the prevention and combating of money laundering and terrorist financing phenomena (Anti-Money Laundering/Counter-Terrorist Financing - AML/CFT), through the use of their products and services. These actions are contrary to the fundamental values and principles governing the conduct of the business activities of the Group and lead or could lead to undesirable consequences, with a significant impact on the Bank and the Group companies' reputation as well as on the interests of its customers, shareholders and staff, exposing the Group to an unacceptable level of associated risks.

For this reason, and in compliance with applicable regulatory requirements for the prevention and combatting of AML/CFT issues, the Group has adopted the following policies:

- AML/CFT Policy, which incorporates New Customers Acceptance Policy.
- AML/CFT Policy on Cross-border correspondent banking relationships.

NBG Group adopts these Policies, to ensure compliance with the applicable regulatory requirements of the Supervisory Authorities on combatting ML/TF, to avert the imposition of criminal and/or administrative sanctions against the Bank and the Group companies on the basis of direct or indirect involvement in ML/TF issues and to protect the Group's good reputation by taking timely and appropriate measures that will prevent the use of its services for ML/TF purposes. The Policies are accompanied by the necessary procedures and guidelines and are supported by appropriate IT systems for the continuous monitoring and identification of suspicious or unusual transactions or activities, aiming at the mitigation of ML/TF risks that are emerging in the Bank.

It is noted that, according to the local legal framework, bribery (active and passive) and specific cases of tax evasion have been included in Crime activities. It should also be noted that specific enhanced due diligence procedures are applied to customers who fall into the category of "politically exposed persons".

Presentation of NBG Corporate Social Responsibility Actions in 2019

In line with the Bank's framework of operations as outlined above, the Corporate Social Responsibility Actions that NBG undertook and developed in 2019, responding to the challenges and expectations of all stakeholders are presented below.

Corporate Social Responsibility

NBG fully recognizes the value of CSR as a key factor in generating sustainable growth for the Group, and has been applying increasingly systematic management techniques in its approach to the concept of Social Responsibility, an issue that has long been high on the Bank's agenda.

In this context, on 18 June 2018, the participation of NBG in the UN's voluntary initiative Global Compact, in which thousands of companies from more than 170 countries participate, was approved. National Bank of Greece is the only Greek financial institution that has joined the UN Global Compact as a "Participant". The UN Global Compact is a non-binding framework for operation and strategy-setting whereby participants are invited to align themselves with 10 globally accepted Principles in the fields of human rights, working conditions, the environment, the fight against corruption, and the 17 Sustainable Development Goals (SDGs). The adoption of corporate practices formed on the basis of the above Principles builds trust relationships with society, contributes to the creation of stability and ensures the development and sustainability of all the parties involved.

Standing by its CSR commitments, NBG continued in 2019 its wide ranging community actions, attaining the targets set to promote economic development, support actions designed to foster environmentally friendly growth, further enhance the quality of its workforce, offer more efficient services to its customers, and contribute, in general, to the community.

Some of the key CSR actions carried out by the Bank are listed below:

The Bank continued to launch initiatives within the context of supporting SMEs and professionals (with turnover up to €2.5 million) in light of the adverse economic environment, with a view to enhancing their growth and supporting their viability. In particular:

- The Bank continued in 2019 the provision of micro-credits up to €25,000 via the EaSI Guarantee Instrument program as part of the EU initiative for employment and social innovation, with a view to enhancing employment and fostering the healthy development of micro-enterprises. The EIF under the auspices of the EU will provide NBG with guarantee instruments, enabling micro-financing at reduced interest rates backed by the guarantees provided. In addition, NBG offers by means of its specialized advisors customized training programs and mentoring services on issues such as preparing a business plan, liquidity management, sales promotion and so on. Accordingly, the Bank contributes to the strengthening and development of micro-enterprises and ensuring business viability. Approvals in 2019 amounted to €15 million.
- With a view to enhancing the services offered to its business customers and leveraging the new opportunities provided by the digital environment, the Bank has enabled -for the first time in the sphere of business lending - submission of loan applications via the EaSI Guarantee Instrument program, through the Internet Banking account of the interested customers without their physical presence at an NBG branch.
- In 2019, NBG continued to grant financing via the COSME Loan Guarantee Facility in cooperation with the European Investment Fund (EIF). The loans provided via this program are 50% guaranteed by the EIF, and accordingly there are substantially reduced requirements for provision of collateral by the businesses seeking financing. At 31 December 2019, the aggregate sum of loans granted to business with turnover up to €2.5 million totalled €83 million.
- At the beginning of 2019, the Bank came into an agreement with Hellenic Development Bank (ex ETEAN S.A.) for "Entrepreneurship Fund Action" in order to provide support to SMEs by financing their investment and business plans at particularly low interest rates and low cost. Approvals in 2019 amounted to €2.8 million.
- In addition, recognizing the dynamic and growth potential of the agricultural sector as a key pillar of the primary sector of the Greek economy, the Bank in recent years has applied an expanded action plan for the sector's support and growth, using funding tools and solutions across the entire range of banking operations. In this context, NBG has been participating since 2017 in the initiative of the Ministry of Rural Development & Food promoting the distribution of the "Farmer's Card" to farmers/livestock breeders. The said product offers to

those entitled to financial support for agricultural activity a boost in liquidity at favorable terms, so as to be able to cover their operational needs. In addition, NBG continued in 2019 its Contract Farming financing program by which it finances farmers and livestock breeders who cooperate with selected agricultural product trading and processing companies for the production of products that are bought by the latter on the basis of sales agreements between both parties. As a result, the production and trading cycle of the buyers and farmers is upgraded, and both sides enjoy significant benefits (reduction of production cost, better planning of inventories). In the production period of 2019 more than 1,300 farmers enjoyed the benefits of the program.

With a view to optimizing the handling of loan and advances to customers that require special management and providing real support to Greek businesses, to individuals and the economy in general, NBG set up dedicated and independent internal units, one responsible for the management of the Bank's retail loans (the RCU) and the other for the Bank's corporate delinquent exposures (the SAU). See also section "*Economic and financial review – Business Overview - NPE Management*".

With a view to creating value for the Bank and its employees through the enhancement of knowledge, competences and experience, 686 training sessions were carried out, where attendance levels reached 31,461 participations, of which 6,630 concerned in-house training sessions, 1,304 were run by external providers, and 23,322 in-house e-learning courses and 205 e-learning courses run by external providers, equivalent to 212,088 learning man-hours and an investment of over €3 million. See also below section "*People*".

In the context of the implementation of its Environmental Policy and Environmental Management Program, the Bank also carried out the following actions in 2019:

- The development of processes/transactions with a view to reducing operating costs, rationalizing printing and saving natural resources (paper) was continued in 2019.
- Recycling programs were implemented with the participation of employees. For example, 816 tonnes of paper, 4,823 kg of small and large batteries, and approximately 108 tonnes of electronic and electrical equipment were recycled. In addition, 1,531 kg of low voltage lamps and lighting equipment were recycled through the expansion of recycling across the Bank's branch network. All these recycling programs were implemented in cooperation with licensed contractors.
- As regards prevention of consumption of natural resources, note that in the course of the Bank's normal business activity the bulk of solid waste is paper. Since 2011, the Bank's correspondence (internal and to third parties) is fully managed by the Internal Electronic Document Management System, resulting in a significant reduction in printing and paper consumption. In 2019, 675,400 documents were exchanged through the Internal Electronic Document Management System, thus saving almost 1,688,500 page prints.
- As regards toner management, the Bank has arranged since 2014 the outsourcing of MPS printing needs of Central NBG Services hosted in central buildings and its Branch Network. The Administration Units are housed in nearly 42 buildings and the Branch Network includes 415 locations, distributed geographically throughout Greece. Environmentally friendly management of waste originating from the device consumables, is also part of this outsourcing arrangement. This program leads to the reduction of printouts and, as a consequence, the reduction of paper and toner consumption. The project establishes centralized management of printing needs. The number of the system's current users amounts to circa 8,200 individuals. In 2019, the toners supplied through the MPS system totalled 11,353 items, while 4,853 items were recycled through the 3,655 MPS units. It is anticipated that the future benefit for the Bank will be a 25-35% reduction in printing costs.
- Aiming at environmental protection, the Bank launched its i-bank statements service whereby its customers receive electronic statements regarding their credit cards and mortgage or consumer loans and credit accounts, at the same time stop receiving printed statements. More than 1 million statements have already been converted from printed to electronic format. Moreover, NBG's i-bank delivery channels are being enriched on an ongoing basis with new services and more transactions enabling customers to carry out transactions 24/7 from home or with their mobile phone. Note that more than 385,000 new users were registered in 2019 for NBG's Internet/Mobile Banking services.

In addition, the Bank launched in 2019 the following green banking products, which contribute to environmental protection:

- Loans for participation in the "Energy-Saving at Home II" program co-funded by Hellenic Development Bank (ex ETEAN S.A.), on favorable terms for energy improvements in homes. In 2019, 1,403 of such loan applications were approved totalling €10 million, of which 1,704 corresponding to a total of €14 million were disbursed.
- "Green Loan": a loan granted under favourable terms and conditions for financing the purchase and installation of energy-saving equipment and new hybrid technology cars.
- "Estia Green Home" loan for the purchase, repair or construction of energy upgraded homes.

For yet another year the Bank contributed to the country's efforts to improve its environmental footprint by financing RES projects worth €507 million.

In 2019, in spite of the particularly adverse economic climate, NBG -standing by its commitment to social support-continued its sponsorship program, with funds amounting to €10 million. In this context, NBG supported a wide range of corporate, social and cultural responsibility initiatives, both directly and indirectly as a bank, and via its Cultural Foundation ("MIET") and Historical Archives. The three key pillars of the "RESPONSIBILITY" CSR program are: Community - Culture - Environment. Specifically:

Community

Society

- Strengthening of actions to upgrade health services.
- Development of social solidarity programs.
- Supporting the work of bodies and organizations with distinguished track records in the alleviation of social problems.
- Supporting vulnerable social groups and individuals (the elderly, children, individuals with special needs).

Science / Research / Training

- Sponsorship for scholarship programs for bachelor and master's degrees in Greece and abroad.
- Contribution to the enhancement of the education provided and support for educational programs.
- Sponsorship for research programs, awards, and support for innovative ideas.
- Support for scientific work and promotion of research, predominately in the form of sponsoring scientific meetings (conferences, summer schools, seminars, workshops) covering the entire spectrum of sciences.
- Sponsorship for the publication of books and special editions.

Sports

- Continuation of sponsorship support to sports organizations and distinguished individual athletes preparing for participating in international sporting events.

Cultural Heritage

Culture / History /Art

- Sponsoring the preservation and showcasing of the historical and cultural heritage.
- Sponsoring the preservation and restoration of monuments, and sponsoring of archaeological excavations.
- Sponsorship support for initiatives involving publications of cultural and historical interest.
- Supporting actions and events that involve music and the performing arts.

Other

- Support for publications, conferences and other events dealing with investment and financial issues.

Environment

- Support for environmental learning programs.
- Sponsorships for fire prevention programs and ecosystem rehabilitation in regions of Greece devastated by fire.
- Contribution to actions designed to support biodiversity.
- Support for the work of bodies that are involved in environmental preservation and sustainable development actions.

Attestation of the implementation of ISO 26000:2010 on Corporate Social Responsibility

In the context of the Bank's Compliance with best international practices and Corporate Social Responsibility Standards, the Group Corporate Governance and Compliance General Division, after being successfully audited by the independent audit organization TÜV AUSTRIA Hellas, received on September 26th, 2019 an Attestation for the implementation, monitoring and coordination of the corporate social responsibility principles for the Bank and the Group as defined in the international guidelines of ISO 26000:2010. Following a demanding and highly successful certification process, the General Division of the Bank fully complied with the guidelines of ISO 26000:2010 for Corporate Social Responsibility integrating them in its values and practices.

People

- Learning and Development
- Selection and Recruitment
- Workforce Enrichment
- Gender Equality
- Number of Employees per Geographical Area
- Human Resources Priorities in 2020

Learning and Development

Learning and Development is internationally recognized as a strategic enabler. In line with the current strategy of customer centricity and under our ambitious Transformation Program of capitalizing on strengths whilst addressing new challenges, a significant priority lies with knowledge acquisition and retention. Our extended developmental activities include internal and external programs with a focus on human skills and talent management. Digital transformation is encouraged by implementing learning sessions and workshops, such as "Digital Business & Fintechs", "Leadership for Digital Transformation", Digital Document Management Initiative. In addition, we design and offer dedicated cycles for specific groups (e.g. corporate, newcomers, audit). Finally, the constant developments in regulations and compliance are addressed through specialized training on corruption/fraud, money-laundering and Cybersecurity, taking into consideration the extent of change in the banking industry.

Learning Type	Number of Learning events	Learning Participations	Learning Hours
Internal	422	6,630	106,901
External	264	1,509	16,258
E-learning	(*)	23,322	88,929
Total	**686**	**31,461**	**212,088**

*A total of 76 e-learning seminars and webinars were available to employees.

Selection and Recruitment

To better equip the Bank with qualified employees, to fill vacant positions in the organization and to enhance its bench strength, as well as to maximize individuals' potential, by taking into account their personal development and career progress, the dedicated Selection and Recruitment Sub-division systematically assesses the qualifications, skills, abilities and professional competencies of its workforce, as well as, of its potential employees as part of the recruitment process. This is achieved through structured interviews, personality profiles, potential assessment tests, cognitive abilities tests and through assessment & development centers. In addition, it has developed a pool of high potential employees to be leveraged for this purpose.

Moreover, Selection and Recruitment Subdivision acts as an advisor and mentor to employees and executives for their development and up-skilling through individualized feedback and coaching sessions. To enhance its extroversion, Selection and Recruitment Subdivision participates in career fairs and in business best practices' presentations to universities.

Workforce Enrichment

With a view to enrich our workforce with qualified and motivated employees, we systematically invest in the design and implementation of youth employment programs, targeting undergraduate and postgraduate students and graduates with high academic performance. Annually, more than 1,000 young university students and graduates can obtain professional working experience and develop technical and soft skills through i-work@nbg Internship Program, NBG - State Scholarships Foundation Program & Undergraduate Traineeship Program.

Gender Equality

We are promoting multiple initiatives in order to achieve effective equality between men and women at all positions.

Equal opportunities between men and women is a priority for the Bank.

	# of employees	%
Women	4,190	51.1%
Men	4,007	48.9%
0-29 years	185	2.3%
30-44 years	3,938	48.0%
45-59 years	3,882	47.4%
60+-years	192	2.3%

Number of Employees per Geographical Area

Number of employees per geographical area from continuing operations is as follows:

Country	*Personnel number as at* **31 December 2019**
Greece	8,440
Bulgaria	30
North Macedonia	1,021
Romania	22
Cyprus	3
United Kingdom	28
Malta	31
Luxembourg	1
Total*	**9,576**

*The table above exclude the 1,152 employees as at 31 December 2019 for our subsidiaries and branch that are classified as assets held for sale and discontinued operations.

Human Resources priorities in 2020

In the context of the Transformation Program, Human Resources priorities in 2020 is:

- the roll-out of the new performance management system,
- the implementation of a leaner organisational structure; and
- the deployment of a new Human Resource function and processes are expected to further modernize the Bank's Human Resources Management Framework.

Corporate Governance Statement

Introduction

In accordance with Article 152 of Greek Law 4548/2018 on Sociétés Anonymes, the Bank is obliged to include the Corporate Governance Statement, as a specific part of the annual Board of Directors' Report. As per the said article, the Bank's Corporate Governance Statement includes the following sections:

- **A.** NBG's Corporate Governance Code
- **B.** NBG's Corporate Governance Key Policies and Practices
- **C.** General Meeting of Shareholders and Shareholders' rights
- **D.** Board of Directors and other management, administrative and supervisory Bodies
- **E.** Internal Control System and Management of Risks

It is noted that additional information in relation to public offers for acquisitions, as mandated by Article 10 of the European Directive 2004/25/EC, required pursuant to par. 1 d) of Article 152 of Greek Law 4548/2018, is included in a separate section of the Board of Directors' Report, namely, the Supplementary Report to the Annual General Meeting of Shareholders.

A. NBG's Corporate Governance Code

The Bank's corporate governance framework is aligned with the requirements of Greek and European legislation and the rules of the HCMC as incorporated in the Bank's Articles of Association, the Corporate Governance Code and other internal regulations/charters. Additionally, the stipulations of the Amended Relationship Framework Agreement between the Bank and the HFSF, and the obligations of the Bank towards the Monitoring Trustee (in accordance with particular procedures foreseen as long as these are in force) are applied. Until 18 March 2019, NBG was registered with the SEC, and the Bank was also subject to U.S. legal and regulatory framework (Sarbanes Oxley Act and SEC rules). However following the Bank's filing to terminate its registration and reporting obligations under the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), NBG's reporting obligations with the SEC, including its obligations to file annual reports on Form 20-F and reports on Form 6-K, were suspended immediately, and 90 days later, the suspension became a permanent termination of SEC reporting obligations.

In February 2006, the Bank's Board of Directors adopted a directional framework that describes the Bank's corporate governance structure and policy. This framework was based on international best practices and fosters continuity, consistency and efficiency in the modus operandi of the Board of Directors and also the governance of the Bank and the Group. In March 2011, in compliance with the provisions of the corporate governance framework, the Board of Directors adopted the Corporate Governance Code of the Bank, which was thereinafter amended in November 2013, with a view to bringing it into line with the Relationship Framework Agreement between the Bank and the HFSF as well as with the Bank's obligations towards the Monitoring Trustee and in December 2014 in order to incorporate the changes in the regulatory framework (especially Greek Law 4261/2014, which transposed CRD IV into Greek law), to further adopt international best practices, as well as to better reflect the Bank's organizational structure. The Bank's Corporate Governance Code has been further amended in September 2015 and March 2017, as deemed appropriate in compliance with the new provisions of Greek Law 3864/2010 and the Amended Relationship Framework Agreement between the Bank and the HFSF, as well as the draft Joint European Securities and Markets Authority ("ESMA") and EBA Guidelines on the assessment of the suitability of members of the management body and key function holders under Directive 2013/36/EU and Directive 2014/65/EU. Finally, the Corporate Governance Code has been lastly amended in July 2019 including provisions on the role of Senior Independent Director and changes made in accordance with Greek Law 4548/2018 on Sociétés Anonymes.

The Bank is in compliance with the Corporate Governance Code and provides explanations for any exceptions identified in accordance with Greek Law 4548/2018. Within the context of its Corporate Governance Code, and in accordance with its Articles of Association and the applicable legislation, the authorities and responsibilities of the Bank's management bodies are determined and the Board of Directors has delegated authorities to Bank's executives in line with the applicable framework.

In the context of the current Corporate Governance Code, the Board of Directors has in place a self-assessment system for its operation, as well as the operation of its Committees based on a methodology, which has been formed and approved by the Corporate Governance and Nominations Committee, while additionally the HFSF monitors and evaluates the performance of the Board of Directors and its Committees in accordance with the criteria stipulated in the legal and regulatory framework and the Relationship Framework Agreement entered into between the Bank and the HFSF. Every three years, the assessment of the performance of the Board and its Committees, is carried out by an external advisor, the selection and monitoring of whom falls within the responsibilities of the aforementioned Board Committee. The assessment is carried out with the use of a methodology based on the best practices and includes interviews with the members of the Board of Directors and the use of detailed questionnaires, covering all the activities of the Board of Directors and its Committees. Further details on the evaluation of the Board of Directors and its Committees is presented below.

The Corporate Governance Code can be viewed on the Bank's website: www.nbg.gr (section: The Group / Corporate Governance / Regulations and Principles).

B. NBG's Corporate Governance Key Policies and Practices

The Bank monitors developments in the applicable framework and relevant guidelines and best practices and proceeds to the actions deemed appropriate in order to ensure that the policies followed are in alignment with the each time applicable regulatory framework and relevant guidelines:

Group Governance Policy	Includes the main corporate governance principles at NBG Group level and provisions concerning Group companies' governance bodies, cooperation with NBG, Internal Control System and regulatory requirements, establishing a unified corporate governance framework for the Group.
Group Remuneration Policy*	Sets out the general framework for remuneration throughout the Group and defines the basic principles on which the NBG Group approaches issues regarding the remuneration of executives and employees.
NBG Directors' Remuneration Policy**	Sets out the general framework for the remuneration of the members of the Board of Directors, in accordance with the applicable legal and regulatory provisions, and in alignment with the principles set out in the NBG Group Remuneration Policy, and covers the total remuneration awarded to all Board Directors (Executive and Non-Executive), i.e. fixed and variable remuneration, including benefits, participation in Committees fees and other potential compensation.
Policy for the Annual Training of members of the Board of Directors and its Committees	Establishes procedures with the purpose of supporting the Board of Directors in enhancing its performance and expanding the relevant skill base and competencies. More detailed information on this Policy is included in Section "*D. Board of Directors and other management, administrative and supervisory Bodies/ Induction, Continuous Education and Training of Directors*".

Board Self-Assessment Policy	Sets out the procedures for the evaluation of the Board of Directors and Board Committees collective performance and the evaluation of Directors on an individual basis with the view of ensuring the effective workings of the Board of Directors. More detailed information on this Policy is included in Section "*D. Board of Directors and other management, administrative and supervisory Bodies/ Evaluation of the Chief Executive Officer, the Board of Directors and the Board Committees*".
Board Members' Nominations Policy	Sets the framework and the criteria for the nomination of candidates to the NBG Board, it describes the process for their nomination and selection, while it includes the target Board profile in accordance with the eligibility criteria determined based on Greek Law 3864/2010, as in force. More detailed information on this Policy is included in Section *"D. Board of Directors and other management, administrative and supervisory Bodies/ Directors' Nomination".*
Insurance Cover for members of the Board of Directors and Executives of the Group companies* **	Covers the civil liability of the Directors and Executives of all the Group entities, with respect to the civil liability for claims against the Bank and its subsidiaries arising from negligence, error or oversight by Directors, Executives and employees, and damages arising from fraud, including electronic fraud, as well as cyber security breaches.

* Group Remuneration Policy:

The Bank's and the Group's Remuneration Policy and remuneration practices are consistent with the framework provided by Greek Law 4261/2014 (which partly transposed European Directive 2013/36/EU CRD IV), Greek Law 3864/2010 ("the HFSF Law"), the Bank of Greece Governor's Act 2577/2006, as amended by the Bank of Greece Executive Committee's Act 158/10.5.2019, and the Amended Relationship Framework Agreement between the Bank and the HFSF. In any case, remuneration of the Chairman, the CEO as well as other members of the Board of Directors, the General Managers and their deputies should not exceed the Bank of Greece Governor's remuneration. Any other type of additional remuneration (bonus) of the aforementioned persons is abolished for the period during which the institution participates in the Recapitalization Plan of Greek Law 3864/2010.

The Bank monitors developments in the applicable framework, including the developments on the upcoming transposition of Directive 878/2019/EU (CRD V).

Information on the Bank and Group Remuneration Policy and general remuneration practices is available on the Bank's website at www.nbg.gr (section: The Group / Investor Relations / Annual Reports and Offering Circulars).

** Directors' Remuneration Policy:

In accordance with Directive (EU) 2017/828, as this has been (partly) transposed into the Greek legal framework with Greek Law 4548/2018 on Sociétés Anonymes, listed companies are required, among others, to establish a remuneration policy as regards directors and shareholders have the right to vote on the remuneration policy at the General Meeting. Within this context, the Bank's Annual General Meeting of Shareholders, held on 31 July 2019, following proposal of the Board of Directors, as assisted by the Corporate Governance and Nominations Committee, approved the NBG Directors' Remuneration Policy. The NBG Directors' Remuneration Policy shall be applicable for a period of four years, unless revised earlier or in cases of temporary derogations, in alignment with the relevant applicable provisions.

The NBG Directors' Remuneration Policy is available on the Bank's website, at www.nbg.gr (section: The Group / Investor Relations/ General Assemblies).

*** Insurance Cover for members of the Board of Directors and Executives of the Group companies:

In compliance with the provisions of the Corporate Governance Code, the Bank has entered into a multi insurance contract in order to cover the civil liability of the Directors and Executives of all the Group entities, with respect to the civil liability for claims against the Bank and its subsidiaries arising from negligence, error or oversight by Directors, Executives and employees, and damages arising from fraud, including electronic fraud, as well as cyber security breaches. During 2017, the Bank entered into a new insurance contract including increased coverage limits and improved contract wording and terms. These contracts were renewed in 2018 with enhanced policy texts, as well as in accordance with the applicable legal and regulatory framework. In 2019, the above policy texts were renewed.

It is noted that:

- The Bank has also in place, among others, the following policies and practices, which are described in detail in the "*Non-Financial Statement - Corporate Responsibility*":
  - NBG Group Code of Ethics
  - Code of Ethics for Financial Professionals
  - Bank and Group Anti-bribery Policy
  - Whistleblowing Policy for the Bank and the Group
  - Anti-Fraud Policy
  - Policy for avoiding Conflicts of Interest for Board Members, Senior Executives and other Related Parties of NBG
  - Policy for Connected Borrowers of the Bank and the Group in Greece.
  - Policy on Donations, Sponsorships, Charity Contributions and other Actions of the Group.

- During 2019, Board Committees Charters were reviewed and amended, aiming among others to include references on the Committees' oversight competence over particular types of individual risks, on accountabilities at Executive level for the day to day management of those risks and of reports provided to the Committees, as well as to provide for clarifications/amendments on responsibilities in relation also to other Board Committee responsibilities.

Diversity policy concerning Bank's management, administrative and supervisory bodies

In accordance with Greek Law 4261/2014, as in force, which incorporated Directive 2013/36/EU into Greek legislation, institutions should engage a broad set of qualities and competencies when recruiting members to the Board of Directors and for that purpose shall put in place a policy promoting diversity on the Board of Directors.

Within this context, the Bank follows practices and policies that promote diversity both at the level of the Board of Directors, as well as at executive level, aiming at promoting a diverse pool of members of its supervisory and management bodies. In particular, the Bank aims at engaging a broad set of qualities and competencies when recruiting members of the Board of Directors and of its executive management, with a view to achieving a variety of views and experiences and to facilitating sound decision making. Collectively, there is a set of skills and expertise in place so as to contribute to the efficient operation of the Bank's supervisory and management bodies, aiming at collective suitability of the said, while the Board of Directors shall collectively have the skills to present its views and influence the decision making process within the executive management body.

In particular, the Bank gives great emphasis on ensuring diversity including in terms of gender representation, age, nationality and variety of educational background, experience and expertise. At the same time, as regards in particular the composition of the Board of Directors, the Bank follows the provisions of Greek Law 3864/2010, as in force, with regard to the eligibility criteria foreseen by the said law.

As far as gender representation is concerned it shall indicatively be noted that during 2019, four (4) women held Directors' positions at the Bank's Board of Directors, while currently representation of women on the Board of Directors is at 25.0%, the Vice-Chair and one Executive Member and one Independent Non-Executive Member of the Board of Directors are women.

Further, at executive level, important senior executive positions are held by female executives, like the positions of General Manager - Special Assets, General Manager of Group Marketing, General Manager of Human Resources, Assistant General Manager - Chief Control Officer, Assistant General Manager of Group Real Estate, Assistant General Manager - Corporate Special Assets and Assistant General Manager - Head of Network, while there are women in a number of important positions like Heads of Group Corporate Governance and Corporate Social Responsibility Division, Group Regulatory Supervision of Banking Activities Division, Finance Division, Human Resources Strategy Division, Strategic Risk Management Division, Group Operational Risk Division, Group Marketing Division and so on.

In terms of age, the age of Board members varies and is in the range of 50 to 70, except for one Director being over 70, and one Director being under 50, while the age of Senior Executives is mainly in the range of 40 to 60.

The Board of Directors of the Bank has a multinational composition, including six different nationalities, with Greek, Cypriot, Dutch, British, Belgian and Romanian Board members having international experience among others by previously being Board members or Senior Executives in a number of different countries, including the United Kingdom, U.S., Netherlands and Poland.

The Bank's Directors and Senior Executives have a variety of educational backgrounds and work experience, including indicatively educational background in Economics, Business Administration, certifications and prior experience in Accounting, Audit and Risk, extensive Banking and Financial Services experience, corporate governance and legal background, strategy development, transformation and commercial prior experience as well as in digital banking, IT and operations. In any case, the purpose is for the Bank to ensure that areas of knowledge and experience required in accordance with the Bank's business activities are covered, while at the same time also being aligned with the provisions of the applicable legal and regulatory framework that applies, like for example as aforementioned in terms of specific eligibility criteria applying to Board members in accordance with Greek Law 3864/2010 as in force.

The competent Committee of the Bank's Board of Directors responsible for establishing and monitoring the implementation of the Policies and procedures that the Bank has in place with regard to diversity, succession planning, selection, nomination and evaluation of Board members is the Corporate Governance and Nominations Committee.

C. General Meeting of Shareholders and Shareholders' rights

The Bank's Articles of Association (Articles 7-16 and 30-35) describe the modus operandi of the General Meeting of Shareholders, its key responsibilities and authorities as well as the Shareholders' rights, taking into consideration especially the provisions of Greek Law 4548/2018, Greek Law 3864/2010 and the Relationship Framework Agreement between the Bank and the HFSF.

The Bank's Articles of Association are available on the Bank's website www.nbg.gr (section: The Group / Corporate Governance / Regulations and Principles).

1. Responsibilities of the General Meeting

The General Meeting is the Bank's supreme, collective body. Its lawful resolutions are binding to all Shareholders, even to those absent or dissenting. All of the Bank's Shareholders are entitled to participate in the General Meeting. Shareholders may be represented at the General Meeting by other, duly authorised persons, in line with the applicable provisions of law. Each share entitles the holder to one vote as stipulated by law, with the reservation of the rights of 13,481,859 dematerialized ordinary shares held by HFSF, falling under the restrictions of Article 7a par. 2 of Greek Law 3864/2010, as described in detail in Section E *("Restrictions to voting rights")* of the Supplementary Report of the Board of Directors. The Bank ensures the equal treatment of Shareholders who hold the same position.

The General Meeting is the sole corporate body vested with authority to decide on:

- amendments to the Bank's Articles of Association; such amendments shall be deemed to include share capital increases (ordinary or extraordinary) or decreases;
- election of the members of the Board of Directors and the auditors;
- approval of the overall management in line with Article 108 of Greek Law 4548/2018 and discharge of the Auditors;
- approval of the Group and the Bank's annual and any consolidated financial statements;
- appropriation of the annual profits;
- approval of remuneration or advance payment of remuneration in line with Article 109 of Greek Law 4548/2018;
- approval of the remuneration policy under Article 110, and of the remuneration report under Article 112 of Greek Law 4548/2018;
- merger, split-off, transformation, revival, extension of duration or dissolution of the Bank;
- appointment of liquidators; and
- any other matter provided for by law.

The provisions of the previous paragraph do not apply to the issues provided under Article 117 par. 2 of Greek Law 4548/2018, as also to other issues provided for in the law and the current Articles of Association.

2. Operation of the General Meeting

2.1. Convening of General Meeting

a) Ordinarily

The General Meeting decides on all Board of Directors proposals included in the agenda. It is convened by the Board of Directors, or as otherwise provided for by law and held on a mandatory basis at the Bank's registered office or in the area of another municipality within the region where the Bank's registered office is located, at least once a year, at the latest until the tenth (10th) calendar day of the ninth month following the end of each financial year, in order to approve the annual financial statements and the election of auditors (ordinary general meeting). The ordinary General Meeting may decide on any other matter within its remit.

b) Extraordinarily

- Subject to Article 121, par. 2 of Greek Law 4548/2018, the Annual General Meeting may also be convened extraordinarily whenever deemed expedient, at the discretion of the Board of Directors.
- At the auditors' request, the Board of Directors is obliged to convene a General Meeting within ten days as of the date such request was submitted to the Chairman of the Board of Directors, determining the agenda thereof as per the auditors' request.
- The representative of the HFSF to the Board of Directors has the right to convene the General Meeting. In line with para. 4 of Article 7 of Greek Law 3864/2010, as amended by Greek Law 4340/2015 and Greek Law 4346/2015, the minimum time limits for the calling of the General Assembly is seven (7) days and the deadline for the convocation of the General Meeting that will decide the share capital increase for the issuance of common shares, convertible bonds or other financial instruments, is ten (10) calendar days. The deadline for the convocation of every repeat or adjourned is reduced to the one third (1/3) of the deadlines stipulated in Greek Law 4548/2018, as in force. The previous subparagraph is applied in every General Meeting convened in the context of Greek Law 3864/2010 or related thereto.

2.2 Invitation to the General Meetings and relevant disclosures

a) Invitation

With the exception of repeated General Meetings and General Meetings deemed similar thereto, the invitation to the General Meeting shall be published at least 20 full days before the date set for it. The said 20-day period shall be exclusive of the date the invitation is published and the date the General Meeting is held.

The invitation to the General Meeting, shall include the information provided for by law from time to time, including inter alia the place where the General Meeting is to be held, i.e. the premises along with the exact address, the date and time thereof, the items on the agenda, clearly specified, and the shareholders entitled to participate therein, along with precise instructions as to the method of participation and exercise of the rights thereof in person or by legally authorized proxy or even by distance participation.

The invitation shall be published within the above 20-day deadline, and registered with the General Commercial Register ("GEMI") in line with the provisions of law, posted on the Bank's website and published within the same deadline in a manner that ensures fast and non-discriminatory access thereto, by whatever means the Board of Directors, at its discretion, considers reliable for effective communication of information to investors, such as, in particular, through printed and electronic media on a national and European basis.

In the event of repeat General Meetings, the specific provisions of the current legal and regulatory framework apply.

b) Annual Financial Report

The Annual General Meeting reviews and approves the annual financial report. The Annual General Meeting elects at least one certified auditor or audit firm, as specifically provided for under par. 1 of Article 32 of the Articles of Association.

The Annual Financial Report is available to Shareholders ten days prior to the Annual General Meeting, and in accordance with the applicable regulatory framework shall incorporate: a) the Certifications of the Board of Directors, b) Board of Directors' Report, c) Supplementary Report, d) Independent Auditor's Report, e) the separate and consolidated financial statements and the notes thereto, f), Summary of Financial Data, g) the annual report for the distribution of capital of the financial year it concerns, provided that the distribution has not been finalized or that it was finalized during the second semester, and was drawn from a share capital increase in the form of cash or upon issuance of a bond loan, following the references made in the relevant Prospectus of the issuance and h) reference to the website where the Annual Financial Reports which incorporates the Board of Directors' Report, the Independent Auditor's Report and the annual financial statements of the consolidated non-listed companies that represent cumulatively an amount higher that 5% of the consolidated turnover or the consolidated assets or the consolidated results after the deduction of the corresponding part concerning minority shareholders are published.

2.3. Right to participate and vote

a) General provisions

Persons entitled to participate in and vote at the General Meeting (initial and repeat), whether in person or by legally authorized proxy, are those who have shareholder's status according to the provisions of Article 124 par. 6 of Greek Law 4548/2018 in the files of the organization holding the securities of the company.

Shareholder status is evidenced by any means provided by law and, in any case, by means of the information obtained by the Bank from the central securities depository, if providing registry services, or, in any other case, through the registered intermediaries who are members of the central securities depository.

In case of a General Meeting that decides the share capital increase for the issuance of common shares, convertible bonds or other financial instruments as well as every General Meeting convened in the context of Greek Law 3864/2010 or related thereto, Article 7 of Greek Law 3864/2010 shall apply.

The HFSF exercises its voting right in the General Meeting as stipulated in Article 7a of Greek Law 3864/2010 and the Relationship Framework Agreement between the Bank and the HFSF.

The procedure and deadline for submitting the legalization documents of proxies and representatives of the Shareholders are set out in par. 3 to 5 of Article 128 of Greek Law 4548/2018. Disclosure of the appointment and revocation of appointment or replacement of the proxies can be effected in writing or via e-mail at the address stated in the General Meetings Invitation. Shareholders that have not adhered to the above provisions, may participate in the General Meeting, unless the General Meeting refuses their participation on serious grounds.

Upon relevant decision of the Board of Directors, the shareholders may participate in the General Meeting by electronic means without attending the Meeting in person at the place where it is held. In addition, following relevant decision of the Board of Directors, the shareholders may vote at the General Meeting by distance voting, either by exercising their voting rights by electronic means or by mail, prior to the meeting, as per the applicable provisions of law. In that case, the shareholders shall be specifically notified on the procedure via the relevant General Meeting Invitation.

b) Approval of overall management/Discharge of auditors from liability

Following approval of the annual financial statements, the Annual General Meeting, by virtue of a decision taken by open vote and as per the Articles of Association, may approve the overall management carried out during the relevant financial year, as well as the discharge of the auditors from any liability.

The members of the Board of Directors that are shareholders of the Bank may take part in the said voting, only on the basis of the number of shares they hold or as proxies of other shareholders provided they have obtained relevant authorization with express and specific voting instructions. The same apply to the Bank's employees.

The Bank may waive claims against members of the Board of Directors or other individuals or proceed with a settlement with them, only if the conditions of Article 102 par.7 of Greek Law 4548/2018 are met.

2.4. Chairing of the General Meeting

The Chairman of the Board provisionally chairs the General Meeting. Should s/he be unable to attend the General Meeting, s/he will be replaced by her/his substitute as per par. 3 of Article 20 of the Articles of Association or by the CEO. Should such substitute be also unable to attend, the General Meeting will be provisionally chaired by the Shareholder that owns the largest number of shares, or by the proxy thereof. The Chairman, or his substitute, shall appoint individuals to serve as provisional Secretaries of the General Meeting. Subsequently, the General Meeting promptly elects the Chairman and two secretaries, the latter also acting as vote counters.

2.5. Quorum and Majority required to passing resolutions

The General Meeting forms a quorum and validly deliberates on the items on the agenda when Shareholders owning at least 1/5 of the paid-up capital are present or represented thereat.

Should there be no such quorum, the General Meeting must reconvene within twenty (20) days as of the date of the meeting that was cancelled, by at least ten (10) full days' prior invitation to this effect; at such repeat meeting, the General Meeting forms a quorum and validly deliberates on the original agenda irrespective of the portion of the paid up share capital represented.

In the event that no quorum is formed, if the place and time of the repeat meetings prescribed by law are specified in the original invitation, no further invitation is required, provided the repeat General Meeting takes place at least five days after the cancelled General Meeting.

Exceptionally, with respect to resolutions concerning:

- a change in corporate nationality;
- a change in corporate activities;
- an increase in Shareholder liability;
- an ordinary share capital increase, unless imposed by law or implemented through capitalization of reserves;
- a decrease in share capital, unless carried out in accordance with Article 21 par. 5 or Article 49 par. 6 of Greek Law 4548/2018;
- a change in the profit appropriation method;
- a corporate merger, split-off, transformation, revival, extension of duration or dissolution of the Bank;
- delegation or renewal of powers to the Board of Directors to decide for the share capital increase as per para. 1 of Article 24 of Greek Law 4548/2018;
- a Bond issue in the form of convertible bonds, as per Article 71 par. 1a of Greek Law 4548/2018;
- an issue of Warrants as per Article 56 par. 1 of Greek Law 4548/2018; and
- in any other case provided for by law,

The General Meeting forms quorum and validly deliberates on the agenda when Shareholders representing 1/2 of the paid-up share capital are present or represented thereat. Should no quorum be formed at the first meeting, as described in the preceding paragraph, a repeat meeting must convene within twenty (20) days as of the first meeting, with at least ten (10) full days' prior invitation, and forms quorum and validly deliberates on the original agenda when at least 1/5 of the paid up share capital is represented thereat. If the place and time of the repeat meetings prescribed by law in the event that no quorum is formed are specified in the original invitation, no further invitation is required, provided each repeat General Meeting takes place at least five (5) days after the cancelled General Meeting.

Resolutions are adopted by absolute majority of the votes represented at the General Meeting. Exceptionally, resolutions on items that require increased quorum are adopted by a majority of 2/3 of the votes represented at the General Meeting. The voting results shall be subject to the applicable legislation.

Specifically for the resolutions for the share capital increase mentioned in para. 2 of Article 7 of Greek Law 3864/2010, including the resolutions for the issuance contingently convertible bonds or other convertible financial instruments, are taken by the General Meeting, representing at least 1/5 of the paid-up share capital and with absolute majority of the votes represented in the General Meeting. If this is not the case, para. 2 of Article 130 of Greek Law 4548/2018 is applied.

2.6. Rules governing amendments to the Articles of Association

The General Meeting is the sole corporate body vested with authority to decide on amendments to the Bank's Articles of Association, in accordance with Article 117 of Greek Law 4548/2018 and Article 9 of the Bank's Articles of Association. The General Meeting convened for the purpose of introducing amendments to the Articles of Association or for the adoption of resolutions requiring enhanced quorum and majority (statutory General Meeting) may be ordinary or extraordinary.

3. Minority Shareholder's Rights

The shareholders' rights of minority are in accordance with the applicable provisions of Greek Law 4548/2018 as in force and also with the relevant Articles of Association. In particular:

a) Rights regarding the General Meeting

- At the request of Shareholders representing 1/20 of the paid-up share capital, the Board of Directors is obliged to convene an extraordinary General Meeting setting the date thereof not later than forty-five (45) days as of the date on which the request was submitted to the Chairman of the Board of Directors. The request indicates the items on the agenda.
- At the request of Shareholders representing 1/20 of the paid-up share capital, the Board of Directors shall add to the agenda of the General Meeting that has been convoked additional items, provided the respective request is submitted to the Board of Directors at least fifteen (15) days prior to the said General Meeting and meets the requirements of Article 30 par.2 of the Articles of Association.
- Shareholders representing 1/20 of the paid-up share capital may submit, pursuant to Article 123 par.3 of Greek Law 4548/2018, draft resolutions on the items included in the initial or the revised agenda, provided the respective request has been submitted to the Board of Directors at least seven (7) days prior to the date of the General Meeting and the draft resolutions be made available to the shareholders, pursuant to par. 3 Article 123 of Greek Law 4548/2018, at least six (6) days prior to the date of the General Meeting. The Board of Directors is under no obligation to take any of these steps if the content of the respective request by shareholders clearly infringes the law and decent conduct.

Specifically for the General Meetings convened in accordance with Article 7 of Greek Law 3864/2010, the above deadlines are reduced to three (3) and four (4) days respectively.

- At the request of Shareholder(s) representing 1/20 of the paid up share capital, pursuant to Article 123 par.3 of Greek Law 4548/2018, the Chairman of the General Meeting shall postpone, only once, decision-making by the General Meeting, whether it is annual or extraordinary, for all or certain items in the Agenda, for a new General Meeting to be held on the continuation date indicated in the Shareholders' request, but not later than twenty (20) days as of the said postponement.

Specifically for the General Meetings convened in accordance with Article 7 of Greek Law 3864/2010, the above deadline is reduced to three (3) days.

- The General Meeting held following such postponement, being a continuation of the previous General Meeting, is not subject to publication requirements as regards the invitation to Shareholders, and new Shareholders may also participate therein, duly complying with the formalities regarding participation.

- At the request of Shareholders representing 1/20 of the paid-up share capital, decision-taking on the General Meeting agenda shall be by open vote.

- At the request of any Shareholder filed to the Bank at least five (5) full days before the date of the General Meeting, the Board of Directors provides the General Meeting with any such specific information on the Bank's business as may be requested, insofar as they are relevant to the items in the Agenda.

Specifically for the General Meetings convened in accordance with Article 7 of Greek Law 3864/2010, the above deadline is reduced to three (3) days.

The Board of Directors may provide a single answer to shareholders' requests that are of similar content. No such obligation to provide information applies in the event that the said information is already available on the company's website, particularly in the form of questions and answers. Moreover, at the request of Shareholders representing 1/20 of the paid up share capital, the Board of Directors informs the General Meeting, provided it is an annual one, of the amounts paid by the Bank to each Director or the Managers of the Bank over the last two years, and of any benefits received by such persons from the Bank for whatever reason or under any agreement with the Bank. In all of these cases the Board of Directors is entitled to decline the provision of the information requested, for good reasons, which are recorded in the minutes. Depending on the circumstances, one such good reason may be the requesting Shareholders' representation on the Board of Directors as per Articles 79 or 80 of Greek Law 4548/2018.

- At the request of Shareholders representing 1/10 of the paid-up share capital, filed with the Bank at least five (5) full days before the General Meeting, the Board of Directors shall provide the General Meeting with information on the current status of corporate affairs and assets of the Bank.

For the General Meetings convened in accordance with Article 7 of Greek Law 3864/2010 the above deadline is reduced to three (3) days.

The Board of Directors may decline to supply the information requested for good reasons, which are recorded in the minutes. Such good reason may be, depending on the circumstances, the requesting shareholders' representation on the Board of Directors, pursuant to Articles 79 or 80 of Greek Law 4548/2018, provided that the respective directors have received the relevant information in an adequate manner.

In the cases of paragraphs 6 and 7 of Article 30 of the Bank's Articles of Association, any dispute as to the validity of the reason for declining to provide the Shareholders with the information requested shall be settled by a judgment rendered by the competent court of the place of the Bank's registered office. By virtue of the said judgment, the Bank may be required to provide the information it had declined. The said judgment shall not be challenged before Courts.

Under all circumstances, when requesting shareholders exercise their rights as above, they are required to produce proof of their shareholder capacity and number of shares, with the exception of first subparagraph of par. 6 of Article 30 of the Bank's Articles of Association. Shareholder status is evidenced by any means provided by law and, in any case, by means of the information obtained by the Bank from the central securities depository, if providing registry services, or, in any other case, through the registered intermediaries who are members of the central securities depository.

b) Rights regarding extraordinary audit

- Shareholders representing at least 1/20 of the paid-up share capital are entitled to file with the competent court a petition for an extraordinary audit of the Bank in accordance with the procedure provided for by law. The said audit is ordered if the acts alleged by the petitioners are deemed likely to contravene provisions of the law, or of Articles of Association, or of General Meeting resolutions. Under all circumstances, audit requests as above must be filed within three (3) years of approval of the annual financial statements for the year in which such acts allegedly occurred.

- Shareholders representing 1/5 of the paid up share capital may file with the competent court a petition for an extraordinary audit of the Bank if the overall corporate performance suggests that the management of corporate affairs has not been based on sound or prudent practices.

Shareholders requesting an audit as above shall provide the court with proof of ownership of the shares entitling them to the audit request.

4. Other Shareholder Rights

Additional information on the Shareholder rights and their exercise is included in the Supplementary Report for the Annual General Meeting, as required by Article 4 of Greek Law 3556/2007, as in force, which is part of the Bank's Annual Board of Directors' Report.

D. Board of Directors and other management, administrative and supervisory Bodies

Board of Directors of the Bank

The Bank is managed by the Board of Directors, which is responsible for ensuring strategic direction, management supervision and adequate control of the Bank, with the ultimate goal of increasing the long-term value of the Bank and protecting the corporate interest at large, in compliance with the current legal and regulatory framework, including the provisions of the Amended Relationship Framework Agreement between the Bank and the HFSF and the obligations of the Bank towards the Monitoring Trustee.

NBG's Board of Directors composition is as follows

Costas Michaelides
Non-Executive
Chairman of the Board of Directors.

Number of shares*
Nil

Mr. Costas Michaelides (born 1949) possesses excellent experience of over 30 years in international banking, having served in a number of prominent managerial positions in international credit and financial organisations.

He was appointed as Non-Executive Chairman of the Bank's Board of Directors in December 2017.

During the period 2013-2015 he served as Global Head of Strategic Change at UBS A.G., while from 2005 to 2013 he was Regional Chief Operating Officer at Credit Suisse A.G. Prior to that, he served as Chief Operating Officer and Managing Director and Head of European Finance, Administration and Operations, Managing Director at Credit Suisse First Boston (2000-2005), Chief Operating Officer and Managing Director at Donaldson, Lufkin & Jenrette U.K. (1999-2000) and Chief Financial Officer (1988-1994) and Chief Administrative Officer (1994-1999) at Merrill Lynch U.K. He has also been Treasurer at Salomon Brothers U.K. (1986-1988) and has served in various positions at ExxonMobil, including as Treasurer and as Financial Analyst.

Mr. Michaelides holds an MBA in Finance from Columbia Business School, a Doctorate in Economics and International Affairs from the University of Denver, and a BA in Economics and Political Science from Ripon College.

Aikaterini Beritsi
Non-Executive
Vice-Chair of the Board of Directors

Number of shares*
Nil

Vice-Chair of the Corporate Governance and Nominations Committee

Member of the Audit Committee and the Human Resources and Remuneration Committee

Mrs. Aikaterini Beritsi (born 1955) was appointed as Non-Executive Vice-Chair of the Board of Directors of National Bank of Greece in July 2019.

Mrs. Beritsi brings along her substantial experience in the Greek Banking sector gained in senior positions at major systemic banks. In addition, Mrs. Beritsi is an expert in corporate governance, following her directorships in four other Greek Banks (three of them systemic), where she had a leading role in introducing best practice and addressing significant internal control issues.

In the recent past Mrs. Beritsi had served as member of the Board of Directors and all statutory committees of Piraeus Bank and Eurobank, Chairperson of the Board of Directors of New Proton Bank and of Proton Bank SA, as well as member of the Board of Directors of Credit Agricole Group/Emporiki Bank. Mrs. Beritsi currently also serves as an independent non-executive member of the Board of Directors and as the Chairperson of the Audit Committee of E.Y.D.A.P., the largest Greek water supply and sewage company, listed on the Athens Stock Exchange.

Mrs. Beritsi is a graduate of the Department of Economics of the National and Kapodistrian University of Athens. She has completed the program Modern Governance in Banking at INSEAD, while she has participated in multiple financial seminars and managerial training programs.

Pavlos Mylonas
Executive Board Member.
Chief Executive Officer

Number of shares*
3,341

Chair of the Senior Executive Committee, the Executive Credit Committee, the ALCO and the Provisions and Write-Offs Committee

Mr. Pavlos Mylonas (born 1958) was appointed Chief Executive Officer of National Bank of Greece in July 2018. He joined NBG in 2000 and served, inter alia, as Deputy CEO, CRO and Head of Strategy.

He worked on the staff of the Organisation for Economic Co-operation and Development ("OECD") from 1995 to 2000 and at the International Monetary Fund from 1987 to 1995. In the years 1985-1987 he was visiting Assistant Professor at the Department of Economics in Boston University.

He holds a Bachelor of Science in Applied Mathematics-Economics (Magna cum Laude and Phi Beta Kappa) from Brown University, as well as a Master of Arts and a Ph.D. in Economics from Princeton University

Christina Theofilidi
Executive Board Member
General Manager of
Retail Banking

Number of shares*
Nil

Member of the Senior Executive Committee, Member of the Executive Credit Committee and the ALCO

Mrs. Christina Theofilidi (born 1967) was elected Executive Board Member in July 2019.

She was appointed as General Manager of Retail Banking and Member of the Executive Committee of NBG in December 2018. Currently, she also serves as a Non-Executive Member at the Board of Directors of Ethniki Hellenic General Insurance S.A.

Mrs. Theofilidi started her career in the banking sector in 1988 working for Societe Generale. Following her MBA, she joined Citibank for six years, holding positions in Marketing and Branch Network. In 1997, she joined Eurobank and held various senior positions in Retail Banking.

From Commercial Manager of Eurobank Cards S.A., Assistant General Manager of International Activities and General Risk Manager of Eurobank Household Lending S.A. until 2013 when she became the Managing Director of the same subsidiary company. In 2014, she joined the newly founded Troubled Assets Group and held the position of Retail Remedial General Manager. Between September 2016 and December 2018 she served as Retail Products General Manager and Individual Banking General Division General Manager.

Mrs. Theofilidi holds an MBA Degree from INSEAD (European Institute of Business Management) and a Bachelor Degree with a double major in Economics and Psychology from Swarthmore College of Pennsylvania, USA.

Gikas Hardouvelis
Senior Independent Director

Number of shares*
3,300

Vice-Chair of the Board Risk Committee

Member of the Corporate Governance and Nominations Committee and the Strategy and Transformation Committee

Professor Gikas Hardouvelis (born 1955) was appointed as Independent Non-Executive Director – Senior Independent Director of the Board of Directors in July 2019.

Professor Hardouvelis holds vast experience in Banking and Financial Management, he has a long-standing career in economic research, while he additionally possesses experience in senior government positions and has continuously interacted with the investor universe, both Greek and international.

In the past prof. Hardouvelis has served, among others, as a member of the Board of Directors of National Securities S.A., Athens Derivatives Exchange, Foundation for Economic & Industrial Research and as a member of the Scientific Council of the Hellenic Bank Association, as well as a member of the

European and Monetary Affairs Committee of the European Banking Federation.

Currently, Professor Hardouvelis is First Vice President of the Board of Directors and member of the Executive Committee of the Foundation of Economic and Industrial Research (IOBE), the Board of Trustees of Anatolia College, the Board of Directors of Multinational Finance Society, the Academic Council of Cyprus International Institute of Management, while he is a Professor at the Department of Banking and Financial Management at the University of Piraeus and a Research Fellow at the Centre for Economic Policy Research, London.

He holds a B.A. (Magna cum Laude) and a M.Sc. in Applied Mathematics from Harvard University, as well as a Ph.D. in Economics from the University of California, Berkeley.

Andrew McIntyre
Independent
Non-Executive Member

Number of shares*
19,200

Chair of the Audit Committee and the Ethics and Culture Committee

Member of the Board Risk Committee

Mr. Andrew McIntyre (born 1956) was appointed as Independent Non-Executive Director of the Board of Directors in April 2018.

He possesses significant international experience in the banking sector, having served in various international financial organisations.

Mr. McIntyre serves as Non-Executive Director and Chair of the Audit Committee at Lloyds Bank Corporate Markets plc and as Non-executive Director, Chair of Audit Committee and Member of Risk at Ecclesiastical Insurance Group plc, since 2017. He also serves as Chair of the Audit Committee (not a Director) at Hermes Property Unit Trust since 2017, Chair of the Audit Committee (not a Director) at Cavamont Holdings Limited since 2016 and Non-Executive member, Senior Independent Director and Chair of Audit, Risk and Compliance Committee at C. Hoare &Co since 2015. Previously he had also served as a Trustee and Director of the Centre for Economic Policy research from 2014 until 2018. Mr. McIntyre has also served as Chairman of the Board of Directors at Southern Housing Group from 2004 until 2013 and he was partner at Ernst & Young, where he had worked from 1988-2016 reaching up to Senior Partner in the UK Financial Services Assurance practice and having had a role in various business groups and client relationships.

Mr. McIntyre holds a Bachelor of Arts and a Master of Arts from the University of Cambridge, UK, and he is a Chartered Accountant certified by the Institute of Chartered Accountants in England and Wales (ICAEW).

Claude Piret
Independent
Non-Executive Member

Number of shares*
Nil

Chair of the Board Risk Committee, Vice-Chair of the Audit Committee,

Member of the Corporate Governance and Nominations Committee, the Human Resources and Remuneration Committee and the Strategy and Transformation Committee

Mr. Claude Piret (born 1951) has been member of the Board of Directors of National Bank of Greece since November 2016.

He possesses extensive experience in the international financial sector, having a career of over 35 years in international banking institutions. He has served in high-ranking positions for a number of years at Dexia Group, and has extensive experience in audit and in the areas of risk management and management of non-performing loans.

Mr. Piret holds a Diploma in Civil Engineering from The Université catholique de Louvain (Belgium) and a post-graduate degree in Management (Finance) from The Université Libre de Bruxelles (ULB) - Solvay Institute.

Wietze Reehoorn
Independent
Non-Executive Member

Number of shares*
Nil

Chair of the Corporate Governance and Nominations Committee and Strategy and Transformation Committee

Member of the Board Risk Committee

Mr. Wietze Reehoorn (born 1962) was appointed as Independent Non-Executive Director of the Board of Directors in July 2019.

Mr. Reehoorn is an experienced senior banking executive, having held a number of senior managerial positions in a market leading international bank.

Currently, Mr. Reehoorn holds the positions of the member of the Supervisory Council and Chair of the Audit Committee of Rijksuniversiteit Groningen, Chairman of the Supervisory Council of Stichting Topsport Community, member of the Supervisory Council of Frans Hals Museum, member of the Board of Directors of ABE Bonnema Stichting and member/Director of Koninklijke Hollandsche Maatschappij der Wetencchappen.

Previously, Mr. Reehoorn held, among others, the position of Chairman of the Supervisory Board of IFN Group. Mr. Reehoorn was a member of ABN Amro for over 30 years where he held various positions some of which include Chief Strategy Officer and Chief Risk Officer and he also led the integration of ABN Amro with Fortis. His diverse experience offers skills relating to risk, strategy and corporate governance.

Mr. Reehoorn holds a Master's Degree in Law from Rijksuniversiteit Groningen.

Elena Ana Cernat
Independent
Non-Executive Member

Number of shares*
Nil

Acting Chair of the Human Resources and Remuneration Committee

Member of the Board Risk Committee and the Strategy and Transformation Committee

Mrs. Elena Ana Cernat (born 1974) was appointed as Independent Non-Executive Director of the Board of Directors in July 2019.

Mrs. Cernat is a highly experienced banker, having held several senior executive and non - executive positions during her career, with emphasis in business development and innovation. She possesses substantial experience in retail banking, developing new business, digital and multichannel strategies.

In the recent past, Mrs. Cernat held the position of member of the Board of Directors of Euroline Retail Services (member of Eurobank Group) and currently holds the position of an executive member of the Board of Directors of Alior Bank Warsaw. In addition, Mrs. Cernat is authorized by the Central Bank of Romania (BNR) in Credit, Risk and Capital Management.

She holds a B.A. in Philology, Applied Modern Languages from Babes - Bolyai University, Romania, an MBA, Romanian - Canadian MBA Program Certificate from Bucharest School of Management, as well as several certifications including among others Certification in Banking Marketing.

Avraam Gounaris
Independent
Non-Executive Member

Number of shares*
Nil

Member of the Audit Committee, Strategy and Transformation Committee and Ethics and Culture Committee

Mr. Avraam Gounaris (born 1969) was appointed as Independent Non-Executive Director of the Board of Directors in July 2019.

Mr. Gounaris has held several senior positions in both the public and private sectors and has diverse managerial experience with an emphasis on restructuring and transition management and is considered an expert in multiple stakeholder management.

Currently, Mr. Gounaris is an executive member of the Board of Directors of ECUSA and a non-executive member of the Board of Directors of Euroconsultants. In the recent past Mr. Gounaris held the position of the Chairman of the Board of Directors of Investment Bank of Greece.

He holds a Bachelor of Science in Business Administration (Finance) and a Master in Business Administration from the University of Nevada, Reno.

Periklis Drougkas
Representative of the HFSF
Non-Executive Member

Number of shares*
Nil

Member of Board of Directors and Board Committees

Mr. Periklis Drougkas (born 1953) was appointed as Representative of the Hellenic Financial Stability Fund at NBG Board of Directors in July 2018.

Mr. Periklis Drougkas has a professional background in senior-level executive positions in leading regional and multinational banking institutions.

At his early career he gained experience as Head of Card Operations and Customer Service with Agricultural Bank of Greece Bankcards S.A., while he held a series of executive roles with Citibank NA, Citicorp Financial Services in Greece. During his career in Citibank he achieved to be the Top Performing Citibank Executive and awarded with the Citicorp Service Excellent Award.

From 1994 to 2002 Mr. Periklis Drougkas was Assistant General Manager, Head of Retail Banking Division of ING BANK NV GREECE. In 2002, he joined the Egnatia Bank S.A. as General Manager, Head of Retail Banking, while he was also appointed Chairman and Managing Director of Egnatia Fin S.A. and General Manager of Egnatia Insurance Broker Co. Ltd, Athens.

In 2004 Mr. Periklis Drougkas joined EFG Eurobank Group as General Manager, while his career in Alpha Bank started in 2008 when he was appointed in Alpha Bank Serbia AD as Deputy President of Executive Board, Head of Retail Banking Business Unit. Since February 2012 he had been promoted to Chief Executive Officer taking over the Management of Alpha Bank Albania SHA. Currently, he serves as member of the Board of Directors of Tirana Bank Sh. A.

He is a graduate from the Athens University of Economics and Business and certified Economist, while he has extended his education having participated in high level education programs.

Panos Dasmanoglou
Board of Directors and
Board Committees Secretary

General Manager - Group
Compliance
and Corporate Governance

Number of shares*
80

Member of the Senior Executive Committee with no voting rights

Mr Panos Dasmanoglou (born 1963) has been an executive at the National Bank of Greece since 1990. In July 2018 he was elected Executive Member of the Board of Directors, position in which he remained for one year. He has been serving as Group Chief Compliance and Corporate Governance Officer at National Bank of Greece since December 2016. He is a Member of the Executive Committee (with no voting rights). In June 2015 he was appointed Assistant General Manager of Group Compliance and Corporate Governance, while previously, since September 2013 he served as Assistant General Manager of Group Compliance. In parallel, in January 2014 he was elected Secretary of the Bank's Board of Directors and of its Committees.

Since July 2009 he served as Director of the National Bank of Greece Group Compliance Division, where he was responsible for the Group's compliance with the legislative and regulatory framework. As part of the various executive-level positions he has assumed throughout his career as a lawyer at the National Bank of Greece Legal Services Division, he has handled significant matters relating to the integration of European banking legislation in the Bank's activities, domestic and international credit operations and M&A activity, thereby gaining substantial experience across a broad spectrum of banking operations.

For a number of years, he has been an active participant in the workings of the Hellenic Bank Association and the European Banking Federation, specifically in the committees on international banking issues, compliance, consumer issues, anti-money laundering, derivatives and repos. Further, he serves as member on the Board of the Hellenic Ombudsman for Banking-Investment Services.

Mr. Panos Dasmanoglou serves many years on the Board of Directors of several NBG Group companies, namely as Chairman of the Board of Directors of NBG Securities S.A. and Vice-Chairman of the Board of Directors of National (Ethniki) General Insurance.

He holds a law degree (LL.B) from the University of Athens Law School and a Master's degree in

European Law from the University of Brussels, while he has also studied banking management at INSEAD Graduate Business School. Additionally, he has received international certifications in the field of international financial law and Compliance in banking.

**Number of shares as at 31 December 2019. It is noted that, as at 31 December 2019, Mr. Dimitrios Kapotopoulos, who resigned from the position of Executive Board Member on 30 January 2020, held 2,668 shares of the Bank.*

The Board of Director's tasks, key responsibilities and authorities are set out in Greek Law 4548/2018, Greek Law 4261/2014, EU Regulation 468/2014, Greek Law 3016/2002, Greek Law 3864/2010, as in force, and the Relationship Framework Agreement between the Bank and the HFSF and in the Bank's Articles of Association and in the Corporate Governance Code which are available on the Bank's website, at www.nbg.gr (section: The Group / Corporate Governance / Regulations and Principles).

Appointment of Directors and Operation of the Board

The members of the Board of Directors are elected by the Bank's General Meeting of the Shareholders for a term that cannot exceed three (3) years and ends at the ordinary General Meeting of the Shareholders of the year in which such provisioned term expires. Uneven terms of office may be provisioned for each Director, insofar as this is prescribed by the current legal and regulatory framework. All members can be re-elected, subject to the fulfillment of requirements set by the each time applicable legal and regulatory framework. The General Meeting of Shareholders determines each time the exact number of the members of the Board of Directors (the Board of Directors may consist of a minimum of seven (7) up to a maximum of fifteen (15) members and must always be an odd number) and its independent members.

HFSF Representative

A HFSF Representative also participates in the Bank's Board of Directors, in line with Greek Law 3864/2010, as in force. In accordance with the Amended Relationship Framework Agreement between the Bank and the HFSF, signed in December 2015, the HFSF is also entitled to the appointment of an observer (HFSF Observer-without voting right) to the Board of Directors of the Bank. Currently, Mr. Christoforos Koufalias is the HFSF's Observer to the Bank's Board of Directors and Board Committees.

Board Members' Removal and Replacement

The Board of Directors' members can be removed at any time by the General Meeting. In the event that a member ceases to participate in the Board of Directors, due to resignation, disease or having forfeited their office for whatever reason, and in case its replacement by deputy members, that have potentially been elected by the General Meeting is impossible, the rest of the members may either provisionally elect another member to cover the unoccupied seat for the period of time that remains until the replaced member's term of office ends, or may continue to manage and represent the Bank without replacing the missing Director(s), provided that the number of the remaining Directors shall remain within the range prescribed by the Bank's Articles of Association (currently at least seven), which is in accordance with the applicable framework.

In the event that a new Director is provisionally elected, the election shall be valid for the remaining term of office of the Director replaced and is announced by the Board of Directors at the immediately following General Meeting, which may replace the Directors even if no relevant item is included on the agenda. Under all circumstances, the remaining Directors, irrespective of number, may call a General Meeting solely for electing a new Board.

Election of Chair and CEO

The Board of Directors elects, by absolute majority from its members, the Chairman and the Chief Executive Officer ("CEO") who manages the affairs of the Bank, and decides on the appointment of executive and non-executive members of the Board. Moreover, the Board of Directors may also elect from among its members one or more Vice Chairmen. Furthermore, the Board of Directors decides on the appointment and duties of the Deputy Chief Executive Officer(s).

The Bank constantly monitors developments internationally in the field of corporate governance and aims to adopt best practices and continuously updates its corporate governance framework, in which context, as well as in accordance with the current regulatory framework, and best practices in corporate governance, the Bank distinguishes the role of the Chairman from that of the Chief Executive Officer.

Operation of the Board of Directors

i) Constitution into a Body

The Board of Directors is constituted into a body at its first meeting following each election of Directors by the General Meeting, as well as under any circumstances when the Chairman's or the Chief Executive Officer's post is vacated for whatever reason. Until the Board of Directors elects a new Chairman or Chief Executive Officer, the relevant duties are exercised by the substitute thereof. Furthermore, the Board of Directors may be constituted into a body anytime, following relevant decision by majority, determining anew its executive and non-executive members.

ii) Convocation

The Board of Directors convenes as prescribed by Greek legislation, the Bank's Articles of Association and the Corporate Governance Code, as well as according to the provisions of the Amended Relationship Framework Agreement between the Bank and the HFSF and the obligations of the Bank towards the Monitoring Trustee. The Board of Directors is convened by the Chairman:

- upon invitation sent by the Board of Directors Secretary to the Board of Directors members at least three (3) business days before the meeting. The invitation must clearly specify the items on the agenda, otherwise decisions cannot be reached unless all members of the Board of Directors' are present or represented at the meeting and no member objects to decision-making or
- at the request of at least two (2) directors, within seven (7) days from the submission of the written request, which should clearly specify the agenda of the Board of Directors meeting requested or
- upon request of the HFSF representative within seven (7) days from the submission of the request to the Chairman.

In case the Board of Directors Chairman does not proceed with convocation of the Board of Directors upon request of at least two (2) directors or the HFSF representative within the above deadline or does not include in the invitation all proposed items on the agenda, then said directors or the HFSF representative respectively are able to convene the Board of Directors within five (5) days from expiry of the above deadline of seven (7) days. The invitation shall be notified to all Board of Directors members and to the HFSF observer.

iii) Inclusion of Items on the Agenda

- Any member may request the Chairman to include one or more items on the agenda of the next Board of Directors' meeting.
- Two (2) or more members may require the Chairman to include one or more items on the agenda of the next Board meeting.
- The HFSF representative also has the right to include items on the agenda and, to that end, must send to the Chairman of the Board of Directors in writing, the proposed/additional items at least two (2) business days prior to the date of the Board of Directors meeting. The Chairman of the Board of Directors must include those items on the agenda of the scheduled Board of Directors' meeting.

iv) Decision making

The Board of Directors forms a quorum and validly deliberates when one half plus one of the Board of Directors are present or represented, but under no circumstances may the number of Directors present be less than five (5). The Articles of Association describe in detail the requirements of Directors' representations for valid resolutions adoption.

v) Board Secretariat System

Since 2016, and in the context of further enhancing the efficient operation of the Board of Directors, the Bank has implemented special Board Secretariat system to further support operation of the Board of Directors, thus providing Board of Directors members with appropriate information and notifications, accessing remotely the Board of Directors and Board Committees' material and facilitating exchange of opinions and commenting on issues placed under consideration of the Board of Directors and Board Committees and better monitoring of issues discussed by the Board of Directors and its Committees.

Responsibilities of the Board of Directors

Among other matters, the Board of Directors is responsible for:

- reviewing and approving the strategic direction of the Bank and the Group, including the business plan, the annual budget and the key strategic decisions as well as providing guidance to the Bank's and the Group's Management;
- reviewing the Group's corporate structure, monitoring its embedded risks and ensuring the cohesiveness and effectiveness of the Group's corporate governance system;
- acquiring shareholdings in other banks in Greece or abroad, or divestment thereof;
- establishing Branches, Agencies, and Representation Offices in Greece and abroad;
- establishing associations and foundations under Article 108 and participating in companies falling under Article 784 of the Greek Civil Code;
- approving the Bank's internal labour regulations;
- nominating General Managers and other executives of the Bank, as appropriate in line with the applicable framework and accordingly following proposals by the Bank's responsible bodies;
- reviewing and approving the Group and the Bank's annual and interim financial report;
- issuing Bonds of any type, with the exception of those for which the Bank's General Meeting is exclusively responsible in accordance with the Greek law;
- approving and reviewing a Code of Ethics for the employees of the Bank and the Group and the Code of Ethics for financial professionals;
- approving the Bank's and the Group's CSR Policy; and
- approving and reviewing the Group Remuneration Policy upon decision of its non-executive members, following recommendation by the Human Resources and Remuneration Committee of the Board of Directors.

Moreover, pursuant to Article 10 of Greek Law 3864/2010 (the "HFSF Law"), as in force, as well as according to the Amended Relationship Framework Agreement entered into with the HFSF, the representative of the HFSF may, *inter alia*, veto the decision making process of the Board of Directors in relation to dividend allocation and remuneration of the Chairman of the Board of Directors, the Chief Executive Officer and Board members, as well as the General Managers and their substitutes.

Directors Nomination

According to para. 1(b) of Article 9 of the Bank's Articles of Association, the General Meeting of the Shareholders is the sole corporate body vested with the authority to elect of the members of the Board of Directors and their substitutes, as well as to determine the independent non-executive members, while a representative of the Hellenic Financial Stability Fund participates in the Bank's Board, pursuant to Law 3864/2010, as in force. Exceptionally, according to the provisions of para. 3 of Article 17 of the Bank's Articles of Association and Article 82 of Law 4548/2018, in the event that as a result of resignation, death or forfeiture for whatever reason a Director ceases to be on the Board of Directors and his replacement by substitute Directors elected by the General Meeting is not feasible, the remaining Directors may either provisionally elect another Director to fill the vacancy for the remaining term of office of the Director replaced, or continue to manage and represent the Bank without replacing the missing Director(s), provided that the number of the remaining Directors shall be within the range prescribed by the Bank's Articles of Association (currently at least seven), which is in accordance with the applicable framework.

In any case, the election of members of the Board of Directors is subject to constant review and approval by the ECB Single Supervisory Mechanism ("SSM").

In particular, according to the Bank's Corporate Governance Code, the Board of Directors, assisted by the Corporate Governance and Nominations Committee ("CGNC"), proposes to the General Meeting candidate Directors on the basis of the Nominations Policy and in alignment with the regulatory framework which requires them to meet the "fit and proper" criteria and not have any systematic conflict of interest with the Bank.

The nomination of the Bank's Board of Directors is performed in accordance with the Bank's detailed Directors' Nomination Policy, the provisions of the Bank's Articles of Association, the Corporate Governance Code and the Corporate Governance and Nominations Committee Charter, the provisions of the relevant regulatory framework especially, Greek Laws 4548/2018 and 4261/2014, which transposed into Greek law Directive 2013/36/EU (CRD IV), Greek law 3864/2010 (the "HFSF Law"), and the Bank of Greece Executive Committee's Act No. 142/11.6.2018, as well as relevant guidelines of the European Banking Authority and the HFSF, while taking into account international best practices. Each nominee fulfils such criteria that ensure the appropriate governance and guidance of the Bank's strategy in respect of economic, business and policy issues, so as to ensure the required approval of the supervisory authorities in national and European level.

Following each election of new members of the Board of Directors by the General Meeting of the Shareholders, the Board of Directors constitutes into a body in its first meeting and elects its Chairman and the Chief Executive Officer who manages the affairs of the Bank, by absolute majority from among its members. According to the Bank's Corporate Governance Code, the Bank distinguishes the role of the Chairman of the Board of Directors and the role of the Chief Executive Officer. Moreover, the Board of Directors has the authority to elect Vice Chairman(men) and to decide on the appointment and duties of the Deputy Chief Executive Officer(s).

In selecting and proposing to the General Meeting of the Shareholders potential members of the Board of Directors, or in appointing new members in replacement of members who for whatever reason cease to be on the Board of Directors, the Board of Directors shall seek to propose candidates whose nomination ensures that the Board of Directors as a collective body presents above all the following profile:

- has a thorough knowledge of the financial industry, counting among its members individuals who are serving or have served in the past in leadership positions in financial institutions. More specifically, Board membership shall have the appropriate mix and experience in financial services or commercial banking and adequate time to provide effective oversight of a Group that offers a diverse range of financial services and operates on an international scale. Some of its members have significant long time experience in financial management, accounting, and risk and capital management and control. Board members are also aware of the legal and regulatory requirements of the banking industry;
- has substantial business and professional experience, counting among its members individuals who are serving or have served in the past as Chairmen, Chief Executive Officers or senior managers of large organizations that are active in the areas of banking, audit, risk management or distressed asset management and have built a reputation that demonstrates the ability to make the kind of important and sensitive business decisions that the Board of Directors is called upon to make;
- has a full understanding of the structure and dynamics of NBG's customer universe, and of the principal markets in which the Group is currently active;
- has substantial international experience and can contribute to NBG's aspirations in the specific geographical region in which NBG is active;
- ensures, as far as possible, adequate representation of both genders;
- reflects the business model and the financial condition of the Bank
- includes at least three (3) experts as independent non-executive members with adequate knowledge and international experience of at least fifteen (15) years in relevant banking institutions of which at least three (3) years' experience on a board of an international banking group not operating on the Greek market. These experts should have no relationship over the previous ten (10) years with credit institutions operating in Greece;
- at least one board member shall have relevant expertise and international experience of at least five (5) years in the risk management or management of non-performing loans. This board member will focus on management of non-performing loans at board level and chair the board committee of that deals with Non-Performing Loans;
- the principle of diversity is respected in the selection of Directors for the Board. Diversity is one factor that can enhance the functioning of the Board of Directors, as it

addresses the phenomenon of "group think" and facilitates independent opinions and constructive challenging in the process of decision making.

The Bank's Corporate Governance Code, as well as the Directors' Nomination policy describe specific suitability criteria that shall be met by candidates as regards professional competencies that are incompatible with the position of Board member at the Bank, criteria concerning independence of non-executive members, participation of candidates on other boards, as well as other cases that are incompatible with the position of Board member. All the above aim to ensure the best composition for the Board of Directors. The Bank monitors developments in the applicable framework and relevant guidelines and best practices and proceeds to the actions deemed appropriate in order to ensure that the policies followed are in alignment with the each time applicable regulatory framework and relevant guidelines.

Evaluation of the Chief Executive Officer, the Board of Directors and the Board Committees

According to the Bank's Corporate Governance Code and the Policy and Procedures for the annual evaluation of the Board of Directors, the Board, assisted by the CGNC, conducts an annual Board effectiveness review to evaluate its own performance as a collective body and its members' contribution in line with the Board of Directors evaluation procedure formulated by the CGNC, taking also into consideration the applicable legal and regulatory framework. The evaluation is carried out every three (3) years by an external consultant whose oversight is the responsibility of the CGNC. The HFSF is entitled to monitor/review this evaluation.

The Corporate Governance and Nominations Committee shall determine the exact timing for the initiation of the annual evaluation of the Board and its Committees and the assessment of the Board members on an individual basis, as well as the evaluation timetable and the methodology that shall be applied and shall oversee the evaluation process.

In addition, the HFSF is also entitled to carry out with the assistance of an independent consultant of international reputation and established experience and expertise an annual assessment of the efficiency of the Board of Directors and the Committees, which will extend also to the individual members of the Board of Directors and its Committees. The evaluation will be carried out based on the criteria set out by Greek Law 3864/2010, the Relationship Framework Agreement entered into between the Bank and the HFSF, as well as on criteria that the HFSF establishes with the assistance of an independent consultant and will be updated at least once every two years and more often if there is material change in the financial position of the Bank. The HFSF will inform the Board of Directors on the results of the evaluation being entitled to develop specific recommendations for improvements and changes in the corporate governance, taking also all measures provided for in Article 10 of Greek Law 3864/2010 to this end. The results of HFSF evaluation of the Board of Directors are being reviewed and discussed at the level of the Board of Directors by the competent Board Committee, being the Corporate Governance and Nominations Committee of the Board and if necessary the Bank proceeds and closely monitors any corrective action as per case.

Directors Remuneration

Board Directors' remuneration is determined by the Bank's Annual General Meeting of Shareholders, upon recommendation of the Board of Directors (non-executive members), following proposal by the Corporate Governance and Nominations Committee. The Executive members do not attend or take part in the Committee meetings at which their remuneration is discussed and decided. Prior to its submission to the Annual General Meeting, the remuneration proposal is subject to consultation with the competent bodies according to Law 3864/2010, as in force. The proposal is formulated in line with the legal and regulatory framework to which the Bank is subject, as well as the Bank's internal framework (esp. the Directors' Remuneration Policy and the Charter of the Corporate Governance and Nominations Committee of the Board), and takes into consideration, among others, the general employment and payment conditions applying to the total of NBG staff, looking to ensure consistency, the differences in responsibilities and impact ability of each directorship position and industry best practices, in a way that adequately reflects the time and effort the members are expected to contribute to the work of the Board of Directors, while at the same time promoting effectiveness of the Board of Directors' operations.

According to Article 10 of Greek Law 3864/2010, as in force, the representative of the HFSF can, inter alia, exercise his/her veto right in the Board decision making process with regards to the distribution of dividends and the remuneration policy for Board members. As long as the Bank is subject to the provisions of Greek Law 3864/2010 (Article 10 para 3, as currently and as long as it is in force), Directors' remuneration shall in no case exceed compensation of the Governor of the Bank of Greece. In accordance with the provisions of Greek Law 3864/2010 (Article 10 para 3), as currently in force and as long as this is applicable, no bonus is paid to Executive and Non-Executive Directors, and in this context during 2019 no variable remuneration was granted to Board members. With regards to executive members of the Board of Directors, their remuneration is determined in accordance with best market practices and aiming to provide a competitive level of remuneration that reflects skills, experience and time commitment, while it is noted that Executive Directors do not receive any additional remuneration for their participation as Board members.

On 31 July 2019, following the proposal by the Board of Directors after relevant recommendation of the Board's Corporate Governance and Nominations Committee, the Annual General Meeting of the Shareholders approved the remuneration of the members of the Board of Directors of the Bank for the financial year 2018 (pursuant to Article 24.2 of Codified Law 2190/1920, as applicable until 31 December 2018 in line with Article 187.7 of Greek Law 4548/2018), and determined the remuneration of the Chairman of the Board of Directors and executive and non-executive members of the Board of Directors through to the Annual General Meeting of 2020. Additionally, the Annual General Meeting approved for the financial year 2018, the remuneration of the Bank's Directors in their capacity as members of the Bank's Audit, Corporate Governance & Nominations, Human Resources & Remuneration, Risk, Strategy & Transformation and Ethics & Culture Committees, and determined their remuneration until the Annual General Meeting of 2020, as per the relevant regulatory framework.

Further information is available on the Bank's website, at www.nbg.gr (section: The Group / Investor Relations/ General Assemblies).

Induction, Continuous Education and Training of Directors

The Bank offers new Board members an introductory informative program, which includes a one-day induction program, covering among others issues concerning the Bank's corporate governance and organisational arrangements and including meetings with key executives of Bank. As part of the one-day induction program, new Directors are informed about governance, compliance, key developments at Group level, matters concerning internal audit, finance and accounting. Upon their appointment, new Board members are also provided with detailed material that includes a manual prescribing basic rights and obligations of Board members in accordance with applicable legislation, the Bank's key policies, as well as all other relevant regulatory provisions or documents concerning for example obligations of the Bank deriving from the Amended Relationship Framework Agreement with the HFSF. Additionally, induction and thematic sessions per Board Committee take place, focused on the particular issues falling within the competence of each Board Committee.

Further, the Board of Directors has adopted a Policy for the Annual Training of members of the Board of Directors and its Committees, with the objective of assisting the Board of Directors in enhancing its performance by expanding its existing Directors' relevant skill base and competencies. The Policy establishes the procedures for the formulation of the Annual Training Plan for members of the Bank's Board of Directors and Board Committees which is developed taking into consideration the Board of Directors and its Committees' educational needs, the Bank's priorities and requirements and any existing learning and development programs, in accordance with current developments in the legal and regulatory framework as well as best practices in corporate governance. In this context, briefings of the Board by Bank's competent executives may be arranged on matters with which Directors should familiarise themselves, for example concerning developments in the applicable corporate governance framework, on risk related issues, on issues concerning non-performing exposures, while also external trainings can take place as may be deemed appropriate. During 2019, focused trainings of the Board of Directors members were conducted on Cyber Security, Corporate Governance, Accounting, as well as deep-dive sessions on Purpose & Values.

Board of Directors – Structure

HFSF Representative

Pursuant to Greek Law 3864/2010 and the Amended Relationship Framework Agreement between the Bank and the HFSF, the HFSF participates in the Board of Directors through the appointment of a representative. As notified to the Bank by HFSF's Letter dated 23 July 2018, the duties of the HFSF's Representative, in the context of Greek Law 3864/2010, are exercised by Mr. Periklis Drougkas. The HFSF representative is entitled to participate in the Board Committees and committees which do not solely comprise of executive members and has the rights and authorities prescribed by Greek Law 3864/2010 as in force and the Relationship Framework Agreement between the National Bank of Greece and the HFSF.

Monitoring Trustee

In the context of overseeing the implementation of the restructuring plan of the banking sector and specifically, the implementation of any other commitments undertaken by the Greek Government relating to the Bank's operations, Grant Thornton has been appointed as "Monitoring Trustee" with a view to ensuring compliance of the Bank with the aforesaid commitments. The Monitoring Trustee is entitled to participate as an observer in meetings of the Board of Directors and certain Board/Executive Committees and has full access to any of the Bank's records including board minutes.

Employees' Representative

Moreover, in June 2017, an Employees' representative was appointed as Observer in the Board of Directors with all rights of a board member except voting rights. The Observer Employee Representative has consultation rights on the Human Resources and Remuneration Committee agenda, monthly access to the Chair of the Human Resources and Remuneration Committee to discuss proposals or matters of concern and the right to address the Human Resources and Remuneration Committee on request.

Senior Independent Director

Furthermore, in July 2019, the Bank's Board of Directors appointed, from among its independent non-executive members, a Senior Independent Director with the duties of (indicatively): acting as a sounding board for the Chairman; discussing with other Directors issues on which the Chairman might have a conflict of interest and acting as intermediary between Directors and the Chairman, if necessary; being available to shareholders if they have concerns which contact through the normal channels of Chairman, CEO or other Executive Directors has failed to resolve or for which such contact is inappropriate; and leading the annual evaluation of the Chairman according to the Bank's Board Evaluation Policy.

The Annual General Meeting of Shareholders elected a new Board of Directors on 26 July 2018, with a term of 3 years, i.e. through to the Annual General Meeting of 2021. On the same date the Board of Directors convened and decided on its constitution into a body. On 31 July 2019, the Annual General Meeting of Shareholders resolved upon the increase of the number of Board members by two, so that the total number of Board members to be 13, and elected six new Members, four of which were appointed by the Annual General Meeting as Independent Non–Executive Board members, through to the Annual General Meeting of 2021. On the same date the Board of Directors convened and decided on its constitution into a body.

During 2019, the following changes took place as regards composition of the Board of Directors:

- On 24 January 2019, Mr. Dimitrios Kapotopoulos was elected as executive member of the Board of Directors, replacing the resigned executive member Mr. Dimitrios Dimopoulos.

- On 10 July 2019, at the Board of Directors meeting, Ms. Eva Cederbalk and Mr. Haris Makkas resigned from their positions as independent non-executive members of the Board of Directors. At the same date Mr. Yiannis Zographakis resigned from his position as non-executive member of the Board of Directors. Moreover, at the same meeting of the Board of Directors held on 10 July 2019, it was announced that Mr. Panos Dasmanoglou will no longer serve as executive member of the Board of Directors and will remain as General Manager at the Bank and Company Secretary, with the same duties.
- On 31 July 2019, Ms. Aikaterini Beritsi was elected as non-executive member of the Board of Directors by the Annual General Meeting of the Bank's Shareholders and was appointed Vice Chair of the Board of Directors. Moreover, the Annual General Meeting of the Bank's Shareholders elected Ms. Christina Theofilidi as member of the Board of Directors as well as Mr. Gikas Hardouvelis, Mr. Avraam Gounaris, Mr. Wietze Reehoorn and Ms. Elena Ana Cernat as new independent non-executive members of the Board of Directors.
- On 29 August 2019, at the Board of Directors meeting, the resignation of Mr. John McCormick from his position as independent non-executive member of the Board of Directors was announced.

It is noted that on 30 January 2020, at the Board of Directors meeting, the resignation of Mr. Dimitrios Kapotopoulos from his position as executive member of the Board of Directors was announced.

The following table sets forth the current composition of National Bank of Greece Board of Directors:

Position in Board|Name	Start of Term*	End of Term	Profession | Main Expertise, Experience
Non - executive Members			
Costas Michaelides (Chair)	26 July 2018	2021	
Aikaterini Beritsi (Vice – Chair)	31 July 2019	2021	
Executive members			
Pavlos Mylonas (CEO)	26 July 2018	2021	
Christina Theofilidi	31 July 2019	2021	
Independent non-executive members			
Gikas Hardouvelis (Senior Independent Director)	31 July 2019	2021	Professor/ Economist/Risk, Strategy and Corporate Governance Experience
Andrew McIntyre	26 July 2018	2021	Independent Non-Executive Expert Member as prescribed by Art.10 of Greek Law 3864/2010 as in force / Risk and Financial Audit Expertise
Claude Piret	26 July 2018	2021	Independent Non-Executive Expert Member as prescribed by Art.10 of Greek Law 3864/2010 as in force. Risk experience/ Financial Services
Wietze Reehoorn	31 July 2019	2021	Independent Non-Executive Expert Member as prescribed by Art. 10 of Greek Law 3864/2010 as in force Risk, Strategy and Corporate Governance Experience
Elena Ana Cernat	31 July 2019	2021	Banking/Digital Banking Experience
Avraam Gounaris	31 July 2019	2021	Economist / Financial Services
Representative of the HFSF (Greek Law 3864/2010)			
Periklis Drougkas	26 July 2018	2021	Economist
Board and Board Committees' Secretary			
Panos Dasmanoglou	26 July 2018	2021	General Manager of Group Compliance and Corporate Governance

* Date of election of the Members of the Board of Directors by the Annual General Meeting of Shareholders of 2018 and 2019 respectively.

- During 2019 the Board of Directors convened 25 times in total.
- During 2019 the Bank's Board Committees convened 78 times in total.
- 25.0% (3 out of 12) of the Board of Directors Members are women.
- A budget exists for the Board of Directors.

Board of Director's Committees

Six Committees operate at Board level:

- **Audit Committee**
- **Board Risk Committee**
- **Corporate Governance and Nominations Committee**
- **Human Resources and Remuneration Committee**
- **Strategy and Transformation Committee**
- **Ethics and Culture Committee.**

The Bank is subject to the eligibility criteria of Article 10 of Greek Law 3864/2010, as well as to the provisions on Board Committees' composition of the Relationship Framework Agreement entered into between the Bank and the HFSF.

The Charters of the Committees are posted on the Bank's website, at www.nbg.gr (section: The Group / Corporate Governance / Board of Directors / Committees). The members are remunerated annually for their participation in each Committee.

Audit Committee

The Audit Committee was established in 1999 and operates in accordance with the provisions of the Bank of Greece Governor's Act No. 2577/2006 and Greek Law 4449/2017 (Article 44).

During 2019 the Audit Committee convened eighteen times.

The members of the Committee are elected by the General Meeting of Shareholders upon recommendation of the Corporate Governance and Nominations Committee to the Board Chair. The Chairman and the Vice Chairman of the Committee should be appointed by its members or by the Annual General Meeting. Furthermore, in accordance with the provisions of the revised Relationship Framework Agreement between the Bank and the Hellenic Financial Stability Fund ("HFSF"), the members of the Committee shall not exceed 40% (rounded to the nearest whole number) of total Board members (excluding the HFSF Representative on the Board) and cannot be fewer than three. All members of the Committee shall be non-executive members of the Board, while 75% (rounded to the nearest whole number) of the members (excluding the HFSF Representative on the Board) are independent non-executive members of the Board. At least one member of the Committee should be chartered or certified accountant, who is temporarily non-practicing or retired or has competence in auditing and accounting.

The Committee is currently composed of five non-executive Directors, three of whom are independent and one of whom is the HFSF Representative at the Board of Directors. The Committee's members are appointed for a one year term of office, which can be renewed indefinitely. The Committee employs a specialized consultant who reports directly to the Chairman of the Committee. The Committee convenes regularly at least six times per annum or extraordinarily, whenever deemed necessary, keeps minutes of its meetings and reports to the Board of Directors every three months or more frequently if deemed necessary.

The Committee is comprised of the following members:

Audit Committee	
Chair	**Andrew McIntyre**
Vice-Chair	**Claude Piret**
Members	**Aikaterini Beritsi**
	Avraam Gounaris
	Periklis Drougkas (HFSF representative)

Detailed information on the responsibilities, composition and modus operandi of the Committee are included in the Committee's charter (which was last approved by the Board on 29 July 2019) posted on the Bank's website, at www.nbg.gr (section: The Group / Corporate Governance / Board of Directors / Committees).

Main responsibilities

- Review of annual and interim Financial Statements and disclosures.
- Recommendations for appointment & remuneration of audit firm that conducts the statutory audit.
- Monitoring & assessment of internal control and regulatory and compliance environment.
- Review of Internal Audit Function effectiveness.
- Review of developments in legal and regulatory framework.

2019 Key workings of the Committee include among others

- Approval of annual and interim Financial Statements & review of procedure for their preparation.
- Reviewed and challenged the significant accounting judgements and estimates incorporated into the annual accounts

- Monthly reports regarding the operating results of the Bank and the Group.
- Regular updates on the work of Group Internal Audit, approval of its annual work plan and assurance that the Group Internal Audit was appropriately staffed and had the necessary resources.
- Oversaw the programme established to reduce to an absolute minimum the number of cases where responses to internal audit findings were overdue.
- Successful completion of triennial assessment of the Internal Control System of NBG Group by external auditors with no significant findings.
- Oversight of initiatives on Internal Control Coordination Committee and synergies among the various control functions of the Internal Control System.
- Oversight of compliance and regulatory developments, review of Compliance Function annual report and plan.
- Approval of the reappointment of the Statutory Auditors for the 2019 audit.
- Approval of any additional services, other than the statutory audit, offered by the Statutory Auditors to the Bank & its subsidiaries to ensure that these services & their related fees were permitted by existing EU and Greek legislation & did not impinge on the independence of the Statutory Auditors.
- Regular meetings with the Statutory Auditors throughout the year, in compliance with the new EU and Greek legislation.
- Approval of new and amended policies on MiFID II/MIFIR and IDD provisions, revised Outsourcing Policy.
- Regular briefings on legal cases.

Board Risk Committee

The Board Risk Committee ("BRC") was established by Board decision (meeting no. 1308/20.07.2006) in accordance with the requirements of Bank of Greece Governor's Act No. 2577/9.3.2006. The Committee has two roles, namely it operates: a) as the Board Risk Management Committee and b) as the Board Committee Responsible for Non-Performing Loans/Exposures (NPLs/NPEs) as prescribed by Art. 10 par. 8 of Greek Law 3864/2010, as in force.

During 2019 the Board Risk Committee convened sixteen times.

The Committee is composed exclusively of non-executive Board members, at least three in number, one third of which (excluding the HFSF representative and rounded to the nearest whole number) are independent non-executive members of the Board, in accordance with the definition of independence specified in the Bank's Corporate Governance Code and one member is the HFSF Representative at the Board of Directors. The members and the Chairman of the Committee are elected by the Board of the Bank, following recommendation by the Board's Corporate Governance and Nominations Committee.

The BRC convenes regularly at least on a monthly basis, as well as extraordinarily, whenever deemed necessary by its Chairman.

The Committee is comprised of the following members:

Board Risk Committee	
Chair	**Claude Piret**
Vice-Chair	**Gikas Hardouvelis**
Members	**Andrew McIntyre**
	Wietze Reehoorn
	Elena Ana Cernat
	Periklis Drougkas (HFSF representative)

Detailed information on the responsibilities, composition and modus operandi of the BRC are included in the Committee's charter of the BRC (which was last approved by the Board on 29 July 2019) posted on the Bank's website at www.nbg.gr (section: The Group / Corporate Governance / Board of Directors / Committees).

Main responsibilities

- Ensuring clear definition of Group's risk appetite & strategy and establishment of risk culture.
- Oversight of risk governance and risk management effectiveness.
- Approval of risk strategies, frameworks and policies.
- Oversight of capital and liquidity management.
- Oversight of risk management function.
- Dual role of the BRC operating also as the Board Committee Responsible for Non-Performing Loans/Exposures (NPLs/NPEs) as prescribed by Art. 10 par. 8 of Greek Law 3864/2010, as in force.

2019 Key workings of the Committee include among others

- Revision of Risk and Capital Strategy.
- Redesign of the Risk Appetite Framework and ongoing monitoring of compliance.
- Enhancements in risk reporting, restructuring of monthly CRO report.
- Initiation of project on Risk Culture, included within the Bank's Transformation Program initiatives.
- Update of ICAAP/ILAAP frameworks, Corporate Credit Risk Policy, Stress Test Framework, NPE Divestment Policy.
- Revision of NPE Targets submitted to the Single Supervisory Mechanism.
- Launching of new IRRBB framework.
- Introduction of On Balance Sheet Netting Policy.
- Oversight of NPE reduction initiatives (e.g. Asset Protection Scheme).

Corporate Governance and Nominations Committee

The Corporate Governance and Nominations Committee ("CGNC") was established by Board decision (meeting no. 1259 on 5 May 2005).

During 2019 the Corporate Governance and Nominations Committee convened fourteen times.

The Committee is composed of at least three Board members. The members and Chairman of the Committee are elected by the Board of the Bank, pursuant to proposal of the Chairman of the Board. All members of the Committee are non-executive Board members, in their majority independent members of the Board, in accordance with the definition of independence specified in the Bank's Corporate Governance Code and one member is the HFSF representative at the Board of Directors. They are appointed for a one-year term of office, which shall be automatically renewed for successive one-year renewal terms, unless otherwise decided. The Committee convenes at least three times per annum and keeps minutes of its meetings.

The Committee is comprised of the following members:

Corporate Governance and Nominations Committee	
Chair	**Wietze Reehoorn**
Vice-Chair	**Aikaterini Beritsi**
Members	**Gikas Hardouvelis**
	Claude Piret
	Periklis Drougkas (HFSF representative)

Detailed information on the responsibilities, composition and modus operandi of the CGNC are included in the Committee's charter of the CGNC (which was last approved by the Board on 29 July 2019) posted on the Bank's website, at www.nbg.gr (section: The Group / Corporate Governance / Board of Directors / Committees).

Main responsibilities

- Review of Board of Directors composition and organization.
- Oversight of development and implementation of a sound group corporate governance framework.
- Development and review of NBG's Corporate Governance Code, Succession Planning Policy and other corporate governance policies.
- Review of Bank's organizational chart and delegation of authorities.
- Proposals on Board's induction and ongoing training.
- Assessment of Board members knowledge, skills, experience and independence.
- Board of Director's Members and Senior Executives nominations.

2019 Key workings of the Committee include among others

- Adoption of new Board Risk Governance Model, foreseeing specific oversight responsibilities per Board Committee, to ensure enhanced supervision and close monitoring of risks.
- Board Committee Charters: revision of Board Committee Charters in accordance with new Board Governance Model, compilation of revised Board Committees Annual Rolling Agendas to ensure adequate coverage of Committees' scope of work.
- Corporate Governance Code: revision of NBG Corporate Governance Code to include developments based on Guidelines of the European Banking Authority and incorporate best practice principles and new Senior Independent Director role.
- Delegation of authority: revisions in authorities delegated by the Board of Directors to executives.
- Revision of Articles of Association in accordance with new Greek Company Law.
- Compilation of new Board Remuneration Policy brought to the General Meeting for approval.
- Regular Reporting: Establishment of regular reporting process from NBG subsidiaries to the Corporate Governance and Nominations Committee.
- Action tracking and close monitoring: development of revised process for closely monitoring all actions discussed during Board and Committee meetings and monthly reporting on progress and status per case.
- Reconstitution of the Board of Directors following new Board member election, appointment of Board Vice-Chair and of Senior Independent Director.
- Revision of Board Committee compositions, appointment of Board Committee Vice-Chairs.

Human Resources and Remuneration Committee

The Human Resources and Remuneration Committee ("HRRC") was established by Board decision (meeting no. 1259/ 5.5.2005).

During 2019 the Human Resources and Remuneration Committee convened twelve times.

The Committee solely consists of non-executive members of the Board, which are at least three in number, in their majority (including the Chairman) are independent Board members, in accordance with the definition of independence specified in the Bank's Corporate Governance Code and one member is the HFSF Representative at the Board of Directors. The Committee composition includes members possessing experience in the financial sector, while at least one member possesses adequate expertise and professional experience in risk management and audit activities, mainly in alignment of remuneration policy with the risk and capital profile of the Bank.

The members and Chairman of the Committee are elected by the Board of the Bank, following recommendation by the Board's Corporate Governance and Nominations Committee. The Committee members shall be selected on the basis of their competence and experience. The Committee convenes at least four times a year and keeps minutes of its meetings.

The Committee is comprised of the following members:

Human Resources and Remuneration Committee	
Acting Chair	**Elena Ana Cernat**
Members	**Aikaterini Beritsi**
	Claude Piret
	Periklis Drougkas (HFSF representative)

Detailed information on the responsibilities, composition and modus operandi of the HRRC are included in the Committee's charter of the HRRC (which was last approved by the Board on 29 July 2019) posted on the Bank's website, at www.nbg.gr (section: The Group / Corporate Governance / Board of Directors / Committees).

Main responsibilities

- Review and monitoring of Group Human Resources policies and practices.
- Oversight of Group's Remuneration Policy.
- Formulation of an evaluation & performance rewarding framework.
- Proposals on executive contract terms and remuneration.

2019 Key workings of the Committee include among others

- Renewal of the Bank's Labour Agreement (2019-2022).
- Review of Performance Management System.
- Introduction of Balanced Scorecard Evaluation starting from the level of Chief Executive Officer and with targets cascaded down to C-2 level.
- Oversight of a number of important Transformation Initiatives related to Human Resources issues, concerning the Bank's Human Resources management model.
- Oversight of Voluntary Exit Scheme.
- Proposals on contract terms of Bank's Senior Management.

Strategy and Transformation Committee

The Strategy Committee was established by Board decision (meeting no. 1387/ 29.9.2009), while it was renamed to Strategy and Transformation Committee by Board Decision (meeting no. 1622/26.07.2018).

During 2019 the Strategy and Transformation Committee convened ten times.

The Committee is composed of at least five members, of which three are independent non-executive Board members and one member is the HFSF Representative at the Board of Directors. The Chief Executive Officer participates ex officio as a member in the Committee.

The Committee members are appointed by the Board of Directors upon recommendation of its Chairman, who consults with the Corporate Governance and Nominations Committee to this effect. The Committee members shall be selected on the basis of their competence and experience and appointed for a one-year term of office, which can be automatically renewed for successive one-year renewal terms, unless otherwise decided.

The Committee is comprised of the following members:

Strategy and Transformation Committee	
Chair	**Wietze Reehoorn**
Members	**Gikas Hardouvelis**
	Claude Piret
	Avraam Gounaris
	Elena Ana Cernat
	Periklis Drougkas (HFSF representative)

Detailed information on the responsibilities, composition and modus operandi of the Committee are included in the Committee's charter (which was last approved by the Board on 29 July 2019) posted on the Bank's website, at www.nbg.gr (section: The Group / Corporate Governance / Board of Directors / Committees).

Main responsibilities

- Approval and review of Bank's and Group's strategic direction.
- Review of all significant actions concerning corporate and Group structure.
- Oversight of Strategic and Corporate Transformation Projects implementation.
- Proposals on Bank and Group Business Plan and review of its implementation.
- Review and monitoring of the Bank and the Group Annual Budget.

2019 Key workings of the Committee include among others

- Hosting of Strategy Days and detailed sessions covering Group Strategy, information on projected changes in the banking sector-and the future of banking, Bank's digital initiatives.
- Monthly review/monitoring of the implementation of the Bank's Transformation Program.
- Review of 2019-2022 Bank and Group Business Plan and monitoring of its implementation.
- Review of the 2019 Annual Budget of the Bank and the Group.
- Regular monitoring of Restructuring Plan Commitments implementation.
- Review of Proposals on Bank's Strategic Transactions.

Ethics and Culture Committee

The Ethics and Culture Committee was established in July 2018 by Board decision (meeting no. 1622/26.07.2018).

During 2019 the Ethics and Culture Committee convened eight times.

The Committee is composed of at least three non-executive Board members. The Executive members participate in the Committee without voting rights. The Ethics and Culture Committee Chairman shall be an Independent Non-Executive Director (Expert), as defined in HFSF's Board of Directors Selection criteria with deep knowledge in Ethics & Compliance and good understanding of Social and Environmental issues, and one member is the HFSF representative at the Board of Directors. The members of the Committee shall be appointed by the Board of Directors on the recommendation of the Corporate Governance & Nominations Committee. The Committee convenes at least quarterly.

The Committee is comprised of the following members:

Ethics and Culture Committee	
Chair	**Andrew McIntyre**
Members	**Avraam Gounaris**
	Periklis Drougkas (HFSF representative)

Detailed information on the responsibilities, composition and modus operandi of the Committee are included in the Committee's charter (which was last approved by the Board on 29 July 2019) posted on the Bank's website, at www.nbg.gr (section: The Group / Corporate Governance / Board of Directors / Committees).

Main responsibilities

- Promotion of highest standards of ethics and integrity in accordance with international best practices.
- Oversight of senior management's initiatives on ethics and culture.
- Review of Codes of Ethics.
- Review of Policy on Politically Exposed Persons.
- Authority over cases of misconduct and any other ethical issue.
- Review of Bank's Corporate Social Responsibility policies.

2019 Key workings of the Committee include among others

- Detailing of Committee Annual Plan 2019, compilation of Annual Rolling Agenda 2019, post its establishment in 2018.
- Preliminary discussion on draft revised Code of Ethics.
- Establishment of Senior Management Disciplinary Committee.
- Review of Group Compliance Policy and of compliance framework as part of the Annual Compliance Report.
- Discussion on Purpose and Values, oversight of developments in the Bank's relevant initiatives.

Attendance of each member of the Board of Directors and the Board Committees' meetings (times) in 2019 and respective compensation

The table below sets out the attendance of each member of the Board of Directors and the Board Committees' meetings in 2019, the respective compensation as well as the gross annual remuneration for dependent employment for year 2019. Additionally, as a result of the relationship with the Bank, in 2019, the Chair, the Vice-chair, the Executive members and the Non-executive members of the Board of Directors, received compensation, as follows:

Name	Board	Audit Committee	Board Risk Committee	Human Resources and Remuneration Committee	Corporate Governance and Nomination Committee	Strategy & Transformation Committee	Ethics & Culture Committee	Compensation for participation to the Board of Directors and Committees (in €)	Gross Annual Remuneration for Dependent Employment for year (in €)
Chair (Non-Executive member)									
Costas Michaelides	25	-	-	-	5	6	3	24,638.97	257,387.97
Vice Chair (Non-Executive member)									
Aikaterini Beritsi[1]	11	8	-	3	6	-	-	74,499.98	-
Executive members									
Paul Mylonas	25	-	-	-	-	6	3	-	336,495.41
Christina Theofilidi[2]	11	-	-	-	-	-	-	-	120,833.20
Dimitrios Dimopoulos[3]	2	-	-	-	-	-	-	-	16,000.00
Panos Dasmanoglou[4]	11	-	-	-	-	6	3	-	137,083.27
Dimitrios Kapotopoulos[5]	22	-	-	-	-	5	3	-	264,516.47
Non-Executive members									
Yiannis Zographakis[6]	10	-	6	6	3	5	3	38,639.07	-
Independent Non-Executive members									
Gikas Hardouvelis[7]	11	-	7	-	6	4	-	70,416.67	-
Haris Makkas[8]	11	7	8	8	8	6	3	47,500.25	-
Andrew McIntyre[9]	22	18	16	-	8	6	8	102,794.66	-
Claude Piret	25	18	16	11	13	10	3	113,991.85	-
Eva Cederbalk[10]	11	7	-	-	-	6	3	36,944.55	-
John McCormick[11]	15	-	-	9	-	6	3	48,261.23	-
Avraam Gounaris[12]	11	10	-	-	-	4	3	37,250.00	-

Name	Board	Audit Committee	Board Risk Committee	Human Resources and Remuneration Committee	Corporate Governance and Nomination Committee	Strategy & Transformation Committee	Ethics & Culture Committee	Compensation for participation to the Board of Directors and Committees (in €)	Gross Annual Remuneration for Dependent Employment for year (in €)
Wietze Reehoorn[13]	10	-	7	-	6	4	-	47,250.00	-
Elena Ana Cernat[14]	10	-	7	3	-	4	-	42,041.68	-
HFSF Representative									
Periklis Drougkas	25	18	16	12	14	10	8	103,422.47	-

[1] During the Board of Directors session held on 31 July 2019, following the election of new Board members by the Annual General Meeting of Shareholders of the Bank, Mrs. Aikaterini Beritsi was appointed Vice Chair-Non Executive Member of the Board and Member of the Human Resources and Remuneration Committee, Vice Chair of the Corporate Governance and Nominations Committee. Mrs. Aikaterini Beritsi was elected Member of the Audit Committee by the Annual General Meeting of Shareholders of the Bank held on 31 July 2019 as per Greek Law 4449/2017.

[2] During the Board of Directors session held on 31 July 2019, following the election of new Board members by the Annual General Meeting of Shareholders of the Bank, Ms. Christina Theofilidi was appointed Executive Member of the Board. Remuneration shown above concerns the period in which Ms. Theofilidi has been member of the Board of Directors.

[3] Mr. Dimitrios Dimopoulos submitted his resignation as Executive member of the Board of Directors, on 24 January 2019. Remuneration shown above concerns the period in which Mr. Dimopoulos has been member of the Board of Directors.

[4] During the Board of Directors session held on 10 July 2019 it was announced that Mr. Panos Dasmanoglou will no longer serve as Executive Member of the Board, and will remain as General Manager at the Bank and Company Secretary, with the same duties. Remuneration shown above concerns the period in which Mr. Dasmanoglou has been member of the Board of Directors.

[5] During the Board of Directors session held on 30 January 2020, the resignation of Mr. Dimitrios Kapotopoulos from the position of Executive Board Member, was announced. Remuneration shown above concerns the period in which Mr. Kapotopoulos has been member of the Board of Directors.

[6] During the Board of Directors session held on 10 July 2019, the resignation of Mr. Yannis Zographakis from the position of Non-Executive Board Member, was announced.

[7] During the Board of Directors session held on 31 July 2019, following the election of new Board members by the Annual General Meeting of Shareholders of the Bank, Mr. Gikas Hardouvelis (Senior Independent Director) was appointed Independent Non-Executive Member of the Board and Member of the Strategy and Transformation Committee, Vice Chair of the Risk Committee and Member of the Corporate Governance and Nominations Committee.

[8] During the Board of Directors session held on 10 July 2019, the resignation of Mr. Haris Makkas from the position of Independent Non-Executive Board Member, was announced.

[9] By decision of the Board of Directors session held on 26 September 2019, Mr. Andrew McIntyre filled in the position of Chair of the Ethics and Culture Committee.

[10] During the Board of Directors session held on 10 July 2019, the resignation of Mrs. Eva Cederbalk from the position of Independent Non-Executive Board Member was announced.

[11] During the Board of Directors session held on 29 August 2019, the resignation of Mr. John McCormick from the position of Independent Non-Executive Board Member was announced.

[12] During the Board of Directors session held on 31 July 2019, following the election of new Board members by the Annual General Meeting of Shareholders of the Bank, Mr. Avraam Gounaris was appointed Independent Non-Executive Members of the Board and Member of the Strategy and Transformation Committee and of the Ethics & Culture Committee. Mr. Avraam Gounaris was elected Member of the Audit Committee by the Annual General Meeting of Shareholders of the Bank held on 31 July 2019 as per Greek Law 4449/2017.

[13] During the Board of Directors session held on 31 July 2019, following the election of new Board members by the Annual General Meeting of Shareholders of the Bank, Mr. Wietze Reehoorn was appointed Independent Non-Executive Members of the Board, Chair of the Corporate Governance and Nominations Committee, Member of the Risk Committee and Chair of the Strategy & Transformation Committee.

[14] During the Board of Directors session held on 31 July 2019, following the election of new Board members by the Annual General Meeting of Shareholders of the Bank, Mrs. Elena Ana Cernat was appointed Independent Non-Executive Members of the Board, Vice Chair of the Human Resources and Remuneration Committee, Member of the Risk Committee and Member of the Strategy and Transformation Committee. By decision of the Board of Directors session held on 26 September 2019, Mrs. Elena Ana Cernat substitutes the Chair of the Human Resources and Remuneration Committee.

In 2019, the above individuals did not receive any additional compensation (bonus).

The General Manager of Legal Services, Mr. Georgios Triantafillakis, participates at the Board of Directors, without voting right.

Management team

The table below presents the profiles of the Bank's executive management (other than the Executive Members of the Board of Directors and the Board of Directors and Board Committees Secretary - General Manager of Group Compliance and Corporate Governance, described in Section D. Board of Directors and other management, administrative and supervisory Bodies above) that participate in the Bank's Senior Executive Committee and the Bank's key Executive Committees as described below under section "Management, administrative and supervisory bodies of the Bank-Executive Committees":

Christos Christodoulou
General Manager
Group Chief Financial Officer

Member of the Senior Executive Committee, the Executive Credit Committee, the ALCO and the Provisions and Write-Offs Committee

Christos Christodoulou was appointed Group Chief Financial Officer and a Member of the Executive Committee of National Bank of Greece in July 2019.

Before rejoining NBG he was Chief Executive Officer and Executive member of the Board of Directors of National Bank of Greece (Cyprus) as well as CFO of United Bulgaria Bank (UBB), a former NBG Group subsidiary.

He holds a BSc Honors degree in Economics from the University College London and is a Fellow Chartered Accountant (FCA) with the Institute of Chartered Accountants of England and Wales (ICAEW).

Ioannis Vagionitis
General Manager
Group Risk Management
(Chief Risk Officer)

Member of the Senior Executive Committee, the Executive Credit Committee, the ALCO and the Provisions and Write-Offs Committee

Ioannis Vagionitis was appointed General Manager of Group Risk Management (Chief Risk Officer) in September 2017. Since April 2017 he was General Manager - Chief Credit Officer, and previously, in July 2015, he was appointed Assistant General Manager - Chief Credit Officer.

From October 2010 up to November 2013 he was Head of Corporate Banking - Large Corporate Division of NBG.

From May 2008 up to October 2010 he was Head of Credit Division and International Credit Division of NBG Group, while from October 2006 up to May 2008 he was Head of Credit Division of National Bank of Greece. Mr. Vagionitis joined National Bank of Greece in 2004 under the Group Risk Management Division.

He worked for HSBC for over ten years (1992-2003). He also held executive level positions in the field of corporate banking at the Bank of Cyprus (2003-2004).

Mr. Vagionitis holds a BSc and an MSc in Mechanical Engineering from the University of Manchester Institute of Science & Technology (UMUST) and an MBA from Manchester Business School.

Vassilis Karamouzis
General Manager
Corporate and Investment Banking

Member of the Senior Executive Committee, the Executive Credit Committee and the ALCO

Vassilis Karamouzis was appointed General Manager of Corporate and Investment Banking at National Bank of Greece in January 2020. Prior to that he held the role of Assistant General Manager of Corporate and Investment and Banking which he took when he joined NBG in September 2017.

Before joining NBG, he worked for 8 years (2009-2017) at HSBC in various managerial positions: he started at HSBC in Greece as Head of Global Market Sales and Debt Capital Markets for Greece and Cyprus. Later on he moved to HSBC in London, where he worked as Head of Structured Finance Origination for Southern Europe and Capital Financing for Greece and Cyprus, and more recently as Managing Director, Member of EMEA Financing Management and Head of Investment Banking Greece and Cyprus.

He started his professional career in 2001 at Deutsche Bank in London, where he stayed until mid-2009. Initially he worked in Hedge Fund Sales, while in the period 2006-2009 he held the position of Head of FX and Commodities Sales for Greece and Middle East.

Vassilis Karamouzis holds an MSc in Finance from Birkbeck College, University of London and a bachelor degree of Economics from the University of Piraeus.

Ernestos Panayiotou
General Manager Transformation and Business Strategy

Member of the Senior Executive Committee

Ernestos Panayiotou joined NBG in May 2019 and was appointed General Manager of Transformation and Business Strategy, having already served the NBG Group as strategy advisor, during the period of 2006-2011.

Before rejoining NBG, he was Partner at McKinsey & Company, where he worked for a total of 12 years during the periods 2001-2005 and 2012-2019.

He holds a Bachelor of Arts in Philosophy, Politics & Economics (First Class Honours) from the University of Oxford and a Master in Public Administration & International Development from the Kennedy School of Government, Harvard University.

Fotini Ioannou
General Manager Special Assets

Member of the Senior Executive Committee and participant in the Executive Credit Committee in discussions on corporate special assets

Fotini Ioannou was appointed General Manager of Troubled Assets Group in May 2019, having already served NBG in various positions primarily within Strategy and Corporate Banking during the period 2006-2017.

Before rejoining NBG, she was General Manager of Corporate & Investment Banking of Piraeus Bank.

She holds a BA in Economics from the University of Cambridge and an MSc in Management Science & Operational Research from the University of Warwick.

Ms. Ioannou is a chartered accountant and a member of the Institute of Chartered Accountants of England and Wales.

Vasileios Kavalos
General Manager Group Treasury and Financial Markets

Member of the Senior Executive Committee and the ALCO

Vasileios Kavalos joined NBG in 1981 and was appointed General Manager - Group Treasury and Financial Markets in July 2019. In June 2015 he was appointed Assistant General Manager - Group Treasurer.

From 2011 up to 2015 he was the Corporate Treasurer with the main task of securing liquidity and allocating it within the Group.

He holds a BSc in Business Administration from Deree College of American College of Greece and is a certified Portfolio Manager by the Bank of Greece.

Georgios Triantafillakis
General Manager Legal Services

Member of the Senior Executive Committee (with no voting rights)

Georgios Triantafillakis joined NBG in 1998 and was appointed General Manager of Legal Services in April 2017. He was appointed Assistant General Manager of Legal Services in June 2015, responsible for the supervision and coordination of the activities of the Legal Services Division and external lawyers providing services to the Bank.

Since 2010 he is Member of the Legal Council of the Hellenic Bank Association. Since 1992 he is Attorney-at-law authorised to practice before the Supreme Court.

Georgios Triantafillakis is Professor of Law at the Democritus University of Thrace (DUTH) and Professor at the National School of Judges. He was member of the Competition Commission (for 10 years), and member of legislative committees and legal science societies. He is a graduate of the University of Athens Law School (with honors) and holds a doctoral degree in commercial law from the German University of Tübingen Law School.

Stratos Molyviatis
Assistant General Manager
Group Chief Information Officer

Attending the Senior Executive Committee as the position of Chief Operating Officer is not filled in

Stratos Molyviatis joined NBG in August 2018 and was appointed Assistant General Manager – Group Chief Information Officer.

He started his professional career as IT consultant in the Financial Services sector for Andersen Consulting in 1998. He continued in Andersen's successor Accenture, where he worked for 15 years in Greece and abroad, eventually becoming the Head for the local Financial Services practice. He joined the global payments leader First Data in late 2012 as the CIO for its local office. In 2015, he assumed the role of regional CIO for Central and Eastern Europe.

He holds a BSc in Mathematics from the National University of Athens and an MSc in Informatics and Cybernetics from the University of Reading in UK.

Ioannis Kyriakopoulos
General Manager
Group Real Estate

Member of the Senior Extended Executive Committee

Ioannis Kyriakopoulos joined NBG in 1977 and was appointed General Manager of Group Real Estate in July 2019. During the period September 2015 to July 2019 he was Group Chief Financial Officer.

During the period January 2012 to June 2015 he was the Chief Financial and Operating Officer of Hellenic Financial Stability Fund. Through the course of his career in NBG from 1977 to 2012 he served as Deputy General Manager of International Activities from April 2011 to January 2012 and as Deputy Chief Financial Officer from April 2009 until April 2011 while from August 2002 to April 2009, he was the Director of the Financial and Management Accounting Division.

He holds a BSc in Mathematics and a BSc in Economics from the University of Athens and an MSc in Statistics and Operational Research from Loughborough University in the United Kingdom.

Evi Hatzioannou
General Manager
Group Human Resources

Member of the Extended Senior Executive Committee

Evi Hatzionannou joined NBG in February 2019 and was appointed General Manager – Group Human Resources.

Before joining the Bank she worked from 2008 to 2019 at Barilla Group holding various senior positions in Human Resources Department: Human Resources Manager Greece, Human Resources Senior Manager Eastern Europe, Human Resources Director Europe and Group Organization Director. During the period 2003 to 2008 she worked at Elais Unilever Hellas S.A., where from 2005 she assumed the position of Human Resources Manager.

She is a graduate in Mechanical Engineering from the Aristotle University of Thessaloniki and holds a MSc in Human Resources Management & Industrial Relations from the University of Manchester.

Chara Dalekou
General Manager
Group Marketing

Member of the Extended Senior Executive Committee

Chara Dalekou joined NBG in March 2019 and was appointed General Manager of Group Marketing.

Ms Dalekou has 24 years of experience in Commercial roles in Multinational and Greek companies. Her career started when she joined the Fast-Moving Consumer Goods (FMCG) industry at Unilever in 1996 where she worked initially in sales and then in marketing. In 2004 she was appointed Commercial Manager of Hellenic Entertainment Parks and in 2008 she joined Sony Ericsson, where she was a head of Marketing initially for Greece and the Balkans and then for the wider Southeast Mediterranean region. Her career continued at AEGEAN where she was responsible for the Company’s Marketing Management for 8 years. During these years she also worked systematically for the development of the Tourism as a member of the Board of Director’s of Marketing Greece and This is Athens and Partners.

She is a member of the Women's Business Committee of the Hellenic American Chamber of Commerce.

Chara Dalekou holds a Bachelor’s degree in Business Administration from the Athens University of Economics and Business and a Master’s degree in Marketing from the University of Stirling, Scotland. She also holds a Certificate in French Business and Economic Studies from the Commercial and Industrial Chamber of Paris.

Beate Randulf
Assistant General Manager
Group Chief Control Officer

Member of the Senior Extended Executive Committee

Beate Randulf joined NBG Group in April 2019 and was appointed Assistant General Manager - Group Chief Control Officer.

Before joining the NBG Group, she was the Senior Director of the CFO Office of Piraeus Bank (November 2017 to March 2019). She has 26 years of public audit practice with Deloitte Greece during the period 1991-2017 and was an Equity Partner since 2006.

She is a Fellow Certified Charted Accountant (FCCA) (1994), a member of the Association of Chartered Certified Accountants (ACCA) as well as a Greek CPA (2010). She is Norwegian and holds a Bachelor's Degree in Business Administration with a major in Accounting and Finance from Deree College of the American College of Greece (1991).

Kostas Adamopoulos
Assistant General Manager
Strategic Transactions

Member of the Extended Senior Executive Committee

Kostas Adamopoulos joined NBG in April 2019 and was appointed Assistant General Manager of Strategic Transactions.

He started his professional career at NBG in 2000 and held various positions in Finance and Strategy until 2013. He was then appointed as Assistant General Manager of Corporate Strategy & Business Planning at Piraeus Bank until 2016 and CFO of Credicom CF in 2017. Up to 2019 he was active in the Greek NPL space advising NPL servicers and capital providers on NPE transactions. He has served as a member of Executive Committees, ALCO and Credit Committees.

He holds an MSc in Finance from Queen Mary & Westfield (University of London), a BSc in Economics from University of Athens.

He is a CFA charterholder since 2004.

Konstantinos Vossikas
General Manager
Chief Credit Officer

Member of the Executive Credit Committee

Constantinos Vossikas, was appointed General Manager - Chief Credit Officer in May 2019. He was appointed General Manager of Corporate Special Assets in April 2017. In July 2015 he was appointed Assistant General Manager of Corporate Special Assets. He joined NBG in 2005 as a Credit Risk Manager for Group Risk Management and subsequently as a Senior Credit Officer for Credit Division. Since 2010, he served as Director of NBG Group International Credit and in 2013 he was appointed Assistant General Manager and Chief Credit Risk Officer.

Before joining NBG, he worked in the Corporate Banking Departments of Midland Bank as a Credit Officer and Egnatia Bank, where he held the position of Head of Corporate and Investment Banking. During the period from 1990 to 1994 he worked in the audit departments of Moore Stephens and Arthur Andersen, participating in external and internal audits for companies operating in various sectors of the Greek economy, valuations, feasibility studies etc.

Mr. Vossikas is a Certified Public Accountant, member of the Institute of Certified Public Accountants in Ireland, holds a degree in Accounting and Finance from Deree College and has participated in many seminars held in Greece and abroad.

Management, administrative and supervisory bodies of the Bank-Executive Committees

According to the Bank's Management, the following Executive Committees are included in the supervisory, management and administrative bodies of the Bank, being the key Executive Committees which have, apart from strategic and executive duties, approval authority as well: 1) the Senior Executive Committee and Extended Executive Committee, 2) the ALCO, 3) the Executive Credit Committee, 4) the Provisions and Write-Offs Committee. The committees are composed of executive Board members, General Managers and Assistant General Managers of the Bank.

Senior Executive Committee

The Senior Executive Committee was established in 2004 and operates via specific Charter. It is the supreme executive body that supports the Chief Executive Officer of the Bank in his duties. The Senior Executive Committee has strategic and executive powers in regard to the more efficient operation of the Group and the monitoring of the execution of the Bank's business plan, as well as approval authority that cannot be delegated to other members of the Bank's management or to other collective bodies of the Bank, while it exercises supervisory powers on risk management in accordance with the decisions taken by the Board of Directors and the Board Risk Committee.

The Senior Executive Committee carries out the activities of the Risk Management Council, while it also has the authority to decide on matters falling within the authority of the Compliance and Reputational Risk Committee, whenever deemed necessary by the Chairman or Deputy Chairman of the Compliance and Reputational Risk Committee.

The Senior Executive Committee is comprised of the following members:

Chairman	Pavlos Mylonas	CEO
Members	Christina Theofilidi	Executive Board Member & General Manager – Retail Banking
	Vassilis Karamouzis	General Manager – Corporate and Investment Banking
	Vasileios Kavalos	General Manager – Group Treasury and Financial Markets
	Fotini Ioannou	General Manager– Special (Troubled) Assets
	Ioannis Vagionitis	General Manager – Group Risk Management, Chief Risk Officer ("CRO")
	Christos Christodoulou	General Manager – Group Chief Financial Officer ("CFO")
	-	General Manager – Group Chief Operating Officer ("COO")*
	Ernestos Panayiotou	General Manager –Transformation and Business Strategy
Members without voting rights	Panos Dasmanoglou	General Manager – Group Compliance and Corporate Governance
	Georgios Triantafillakis	General Manager – Legal Services

* Mr Nikos Christodoulou was General Manager, Group Chief Operating Officer and member of the Committee until 30 October 2018. In case that the position of Group Chief Operating Officer is not filled in, Mr Stratos Molyviatis - Assistant General Manager, Group Chief Information Officer shall attend the meetings of the Senior Executive Committee.

The Committee is convened by its Chairman and meets regularly at least two times every calendar month and extraordinarily, whenever deemed necessary by its Chairman.

At the invitation of its Chairman, it is possible for General Managers as well as other Bank executives to attend the meetings of the Senior Executive Committee, the presence of which is deemed necessary.

An Extended Senior Executive Committee also operates which, additionally to the above members, is comprised of the following members:

Members	Ioannis Kyriakopoulos	General Manager – Group Real Estate
	Evi Hatzioannou	General Manager – Group Human Resources
	Chara Dalekou	General Manager – Group Marketing
	Kostas Adamopoulos	Assistant General Manager – Strategic Transactions
	Beate Randulf	Assistant General Manager – Group Chief Control Officer

The Committee is convened by its Chairman and meets regularly at least once every calendar month and extraordinarily, whenever deemed necessary by its Chairman.

The Committee members do not receive any remuneration for their participation in the Committee.

Asset and Liability Committee (ALCO)

ALCO was established in 1993. The Committee's key purpose is to establish the Bank's and its Group financial sector entities' strategy and policy as to matters relating to the structuring and management of assets and liabilities taking into account the current regulatory framework and market conditions, as well as the risk limits set by the Bank.

The ALCO Committee is comprised of the following members:

Chairman	Pavlos Mylonas	CEO
Deputy Chairman and Member	Ioannis Vagionitis	General Manager – Group Risk Management, CRO
Members	Christina Theofilidi	Executive Board Member & General Manager – Retail Banking
	Christos Christodoulou	General Manager – Group CFO
	Vassilis Karamouzis	General Manager – Corporate and Investment Banking
	Vasileios Kavalos	General Manager – Group Treasury and Financial Markets

* In the case of meetings where issues regarding corporate special assets are discussed, Mrs Fotini Ioannou, General Manager - Special (Troubled) Assets, participates in the Committee.

The Committee convenes regularly once a month or extraordinarily, at the invitation of its Chairman.

At the invitation of its Chairman, it is possible for other executives of the Bank and the Group to attend its meetings.
The Committee members do not receive any remuneration for their participation in the Committee.

Executive Credit Committee

The Executive Credit Committee was established in 2008 and its purpose is the optimization and the sound operation of the risk taking limits.

The Executive Credit Committee is comprised of the following members:

Chairman	Pavlos Mylonas	CEO
Deputy Chairman and Member	Ioannis Vagionitis	General Manager – Group Risk Management, Chief Risk Officer ("CRO")
Members	Vassilis Karamouzis	General Manager – Corporate and Investment Banking
	Constantinos Vossikas	General Manager – Chief Credit Officer

* In the case of meetings where issues regarding corporate special assets are discussed, Mrs Fotini Ioannou, General Manager - Special (Troubled) Assets, participates in the Committee.

The Committee convenes regularly at least two times every calendar month and extraordinarily, whenever deemed necessary by its Chairman.

The General Manager of Legal Services is invited and attends the meetings of the Committee.
The Chairman can invite other executives of the Bank and Group to attend, if necessary.
The Committee members do not receive any remuneration for their participation in the Committee.

Provisions and Write Offs Committee

The Committee was established in 2010. Its purpose is the decision making process on the provisions and write offs of NBG Group claims of any nature, which are considered by the Committee to be liable of a loss in value in accordance with the relevant "Provisions and Write Offs Policy" of NBG Group.

The Provisions and Write Offs Committee is comprised of the following members:

Chairman	Pavlos Mylonas	CEO
Members	Christos Christodoulou	General Manager - Group Chief Financial Officer ("CFO")
	Ioannis Vagionitis	General Manager - Group Risk Management, Chief Risk Officer ("CRO")

The Committee is convened at the invitation of its Chairman.
The Chairman can invite other executives of the Bank and Group to attend, if necessary.
The Committee members do not receive any remuneration for their participation in the Committee**.**

E. Internal Control System and Risk Management

Objectives of the Internal Control System

Aiming to safeguard the reputation and credibility of the Bank and the Group towards its shareholders, customers, investors and the supervisory and other independent authorities, the Board of Directors provides for the continuous enhancement, at Group level, of its **Internal Control System** ("ICS").

The ICS is designed to ensure effective and efficient operations, adequate identification, measurement and mitigation of risks through appropriately and efficiently designed internal controls, prudent conduct of business, sound administrative and accounting procedures, reliability of financial and non – financial information reported or disclosed (both internally and externally) and compliance with laws, regulations, supervisory requirements and the NBG Group Internal Policies, Procedures and Rules.

The internal control process is carried out by the Board of Directors, senior management, risk management and other control functions, as well as by the staff within the organisation. The Bank uses as a reference the COSO 2013 Internal Control Integrated Framework and the ICS is based on five main components: **control environment, risk assessment, control activities, information and communication as well as monitoring**. The internal control process aims to create the necessary fundamentals for the entire organisation to contribute to the effectiveness and high quality of internal control through, for instance, clear definitions, assignments of roles and responsibilities and methodologies, tools and procedures.

The ICS aims to achieve, among others, the following key objectives:

- Consistent implementation of the Group's business strategy through the efficient use of available resources;
- Pursue a risk- based decision making
- Identification of the Group's process universe;
- Identification and management of all undertaken risks, including operational risks;
- Compliance with the local, European and international legal and regulatory framework that governs the operation of the Bank and the Group, including internal regulations, IT systems and code of ethics;
- Adequate and efficient design as well as the operating effectiveness of internal controls.
- Completeness and reliability of data and information that are necessary for the accurate and timely preparation of the Bank and the Group's published financial information and the presentation of reliable information regarding the Bank and the Group's financial performance;
- Adoption of international Corporate Governance best practices; and
- Prevention and detection of any errors and irregularities that may put at risk the reputation and the interests of the Bank and the Group, their shareholders and customers.

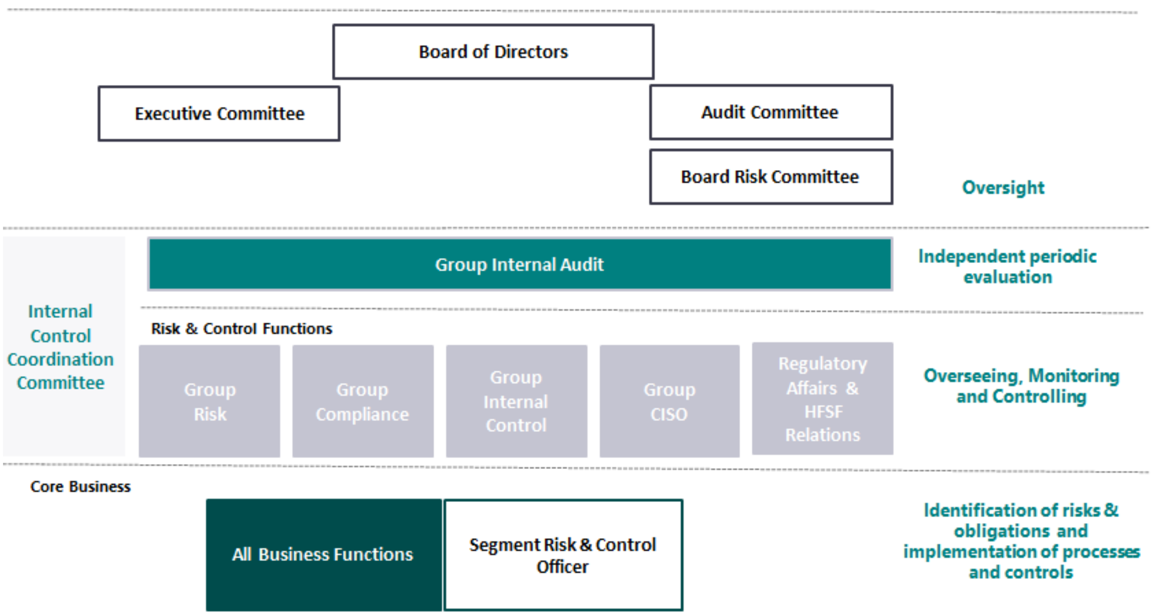
In the context of developing the business strategy and identifying the main business risks, the **Board of Directors**, with the support of its Committees, adopts appropriate policies aiming to ensure an adequate and effective ICS for the Bank and the Group.

Management is responsible for the design and implementation of effective internal controls and adequate and efficient procedures, relevant to the range, risks and nature of the activities undertaken by the Bank and the Group, for identifying and assessing any ICS's deficiencies and for undertaking the necessary corrective actions. Specifically, the ICS and Risk Management related activities are performed on by the first and second line of defence.

The roles and responsibilities with respect to risk management, compliance and internal controls are divided into three lines of defence, as follows:

- **First line of defence (1LoD)**, includes the Business and Support Functions which are responsible for identifying, assessing and managing the risks and compliance obligations they undertake by establishing and implementing adequate and efficient design of internal controls as well as monitor the operating effectiveness of the internal controls on a continues basis.
- **Second line of defence (2LoD)**, includes the various Risk and Control Functions that monitor the effectiveness of risk management, the compliance obligations and the adequate and efficient design as well as the operating effectiveness of internal controls.
- **Third line of defence (3LoD)**, includes the Group Internal Audit Divisions ("GIAD's") which perform periodic assessment, in order to evaluate the adequacy and effectiveness of the Bank's and the Group's governance, risk management and internal control processes, as these are designed by the Board of Directors and Management. The Group Chief Audit Executive reports periodically on the GIAD's activities to the Bank's Board of Directors, through the Audit Committee.

Roles & Responsibilities for the ICS



The Board of Directors and Senior Management aims at the continuous enhancement of the ICS in order to minimize risks and ensure effective operations. In this context, Senior Management has made the following enhancements to the ICS during 2019 with the aim to further improve the coordination between the three lines of defence by:

- **Establishment of the Internal Control Coordination Committee (ICCC)** in February 2019, with the aim to support the Board of Directors, its Committees and Senior Management fostering coordination and cooperation among the various control functions. The ICCC is coordinated by the Group Chief Audit Executive and its members are the Group Chief Risk Officer, the Chief Compliance and Corporate Governance Officer, the Group Chief Control Officer, Head of Operations, Head of Operational Risk, the Chief Information Security Officer and the Head of Regulatory Affairs and HFSF Relations.

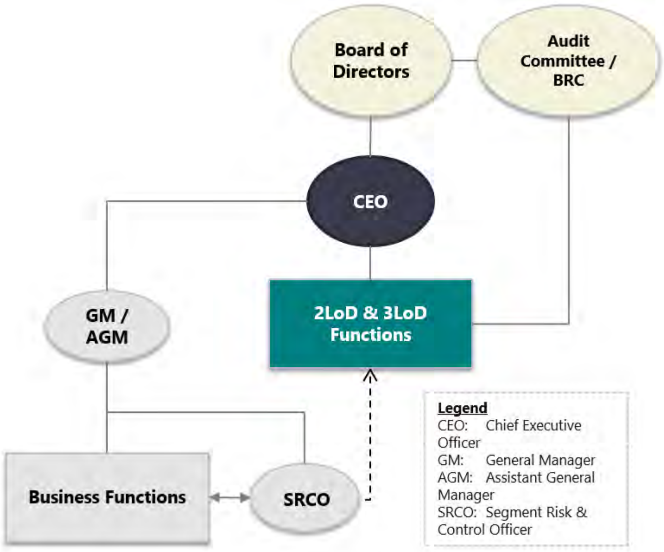
The ICCC has as key objectives:

- o the enhancement of synergies across the three Lines of Defence,
- o the adoption of a common methodology framework,
- o the monitoring and reporting of emerging risks.

The Committee has convened six times during 2019 and established multiple working groups to support key initiatives.

- During 2019 the ICCC establised the below working groups:
  - o establishment of the role of the Segment Risk and Control Officer in the main Business Functions/General Divisions of the Bank
  - o development of a Common Risk Taxonomy and a Common Risk, Internal Control and Compliance Glossary
  - o development of Common Principles for Operational Risk and Control Assessment.
  - o selection of the vendor for the acquisition of a new GRC platform for the Group;

- **Establishment of the Segment Risk and Control Officers (SRCO)** - The Bank in its effort to strengthen the ICS established the role of the Segment Risk and Control Officer (SRCO). The SRCO reports to the respective business line General Manager/Assistant General Manager, is independent from the respective Business Units and liaises with 2LoD and 3LoD units with main responsibility to coordinate efforts in order to ensure that operational risks are appropriately identified and assessed, the internal controls are appropriately designed and operate effectively as well as to assist in further enhancing the risk, compliance and control awareness and culture.



- **Common Risk Taxonomy and Common Risk, Internal Control and Compliance Glossary –** The Common risk taxonomy as well as the Common Risk, Internal Control and Compliance Glossary was developed and approved and are in the process of being adopted by all Bank Units.
- **Common Principles for Operational Risk and Control Assessment** – The Common Principles for Operational Risk and Control Assessment have been developed and approved and are in the process of being adopted by all Bank Units, to ensure efficient monitoring of risk, compliance obligations and internal controls through sharing of information as well as consistent risk reporting.
- **Common Governance, Risk and Compliance (GRC) Platform** - As part of the BOD and Management's efforts to further enhance the efficiency and the effectiveness in operational risk management, compliance and internal control activities, the Bank has selected an integrated GRC platform to be used by the various risk and control functions (Operational Risk Management, Internal Control, Compliance, Information Security, Model Validation, Regulatory Affairs and HFSF Relations and Internal Audit). Following the GRC Platform implementation, the Bank will be able to further enhance the management of its risks, will increase Board's and Management's oversight and will be able to use a homogenized integrated reporting tool contributing to the holistic view of the ICS of the Bank and the Group. The Platform's implementation phase will commence within the second quarter of 2020 and will be supported and closely monitored by a project team combining experts from all the above functions.
- Strengthening the Risk Management Function by establishing in January 2019, a **separate Group Operational Risk Management Division** and establishment in July 2019 of **Group Strategic Risk Management Division** under the Group CRO as discussed above in the Risk Management section.
- **Establishment of the Group Internal Control Function (ICF)** in May 2019 with the purpose to ensure and enhance the adequacy and efficiency of the design and the operating effectiveness of internal controls, in cooperation with the independent Units, which are defined by the Regulatory Framework in the context of their responsibilities. The ICF is responsible for:

  a) Contributing to the establishment and enhancement of a strong and efficient internal controls culture and promoting control awareness within the Bank.

  b) Developing an Internal Control Methodology for the Bank and the Group regarding roles, responsibilities, policies, procedures, flows of information and systems required for the appropriate design and the operating effectiveness of the internal controls.

  c) Ongoing monitoring of the adequate and efficient design as well as the operating effectiveness of the internal controls.

  d) Providing training and support to the Bank's Units in the application of the approved Internal Control Methodology as well as providing specialized knowledge with respect to the internal controls.

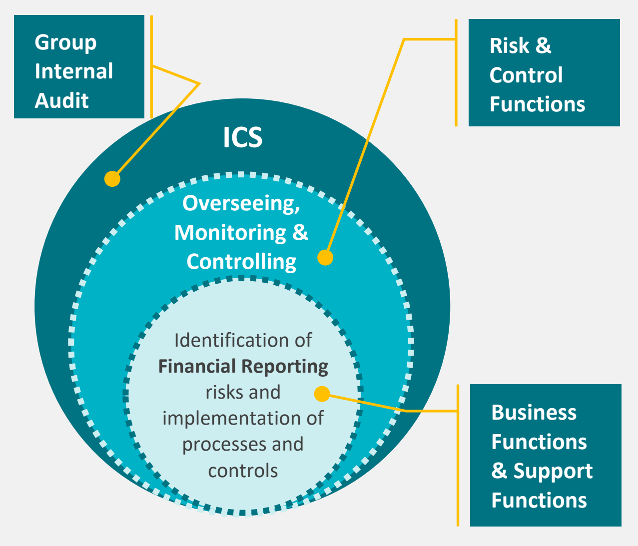
  e) Cooperating with the Group Companies and supporting their work, in the implementation of the Internal Control Methodology relating to the internal controls at Group level.

Group Internal Control Function is a member of the newly established Internal Control Coordination Committee ("ICCC") and contributed to the 2019 ICCC working groups as set out above.

Management of risks relating to the Internal Controls over Financial Reporting process

The **Audit Committee**, in accordance with Greek Law 4449/2017, Article 44 para. 3b, is responsible for the oversight of the Internal Controls over Financial Reporting and reports any improvements to ensure its integrity to the Board of Directors. Furthermore, the Audit Committee monitors the progress of the corrective actions undertaken in the context of ICS including ICFR.

Management is responsible for the preparation and fair presentation of the Bank and Group financial statements in accordance with the International Financial Reporting Standards ("IFRS") and for **such Internal Controls over Financial Reporting ("ICFR")** as Management determines are necessary to enable the preparation of these financial statements to be free from material misstatement, whether due to fraud or error.



Roles and responsibilities are clearly defined in NBG Operating Model, where the identification of Financial Reporting risks along with the implementation of processes and controls to mitigate these risks lie with the **Business Functions and Support Functions** while the **Risk & Control Functions** oversee, monitor and control the Financial Reporting risks and the Internal Controls over Financial Reporting process.

Group Internal Audit

The Group Internal Audit Function is an independent NBG Group wide function, which ensures that business operations reflect the Bank's values and corporate culture and deliver its socially responsible strategy. Serving as the third line of defence, the Group Internal Audit Function provides the Board of Directors and the Audit Committee with independent assurance regarding the quality, adequacy and effectiveness of the systems and related frameworks of internal control, risk management and corporate governance, while protecting NBG's Group assets and good reputation. The Group Chief Audit Executive (CAE) reports, functionally, to the Chairman of the NBG Audit Committee and, administratively, to the CEO of NBG and has unrestricted access to both.

The Group Internal Audit Function, through a risk-based approach and with unrestricted access to all data and staff of the organization, covers all entities and activities of NBG Group. Through on-site audits, it evaluates the efficiency and efficacy of internal control, risk management and corporate governance systems and processes, the compliance with applicable regulatory framework and supervisory requirements, as well as the reliability of financial and operating information. Special focus and priority is placed on areas of higher risk. Executive management is responsible for ensuring that issues raised by the audit function are addressed within an appropriate and agreed timeframe.

Group Internal Audit Function and the subsidiaries Internal Audit Units use:

- a common audit methodology, which is in compliance with the Committee of Sponsoring Organizations of the Treadway Commission ("COSO 2013") principles and the International Internal Auditing Standards of the Institute of Internal Auditors ("IIA");
- an information systems audit methodology that is based on the Control Objectives for Information and Related Technologies ("COBIT") framework of the Information Systems Audit and Control Association (ISACA);
- a common web-based software platform, which allows for the effective management of the audit activities and provides: (i) real time monitoring of the audit function across all subsidiaries, (ii) information sharing among the Group's internal auditors and (iii) standardisation of the audit methodology. Moreover, audit efficiency and effectiveness is ensured through established key performance indicators and internal quality reviews.

As of 31 December 2019, the Group Internal Audit Function of the Bank employed 92 internal auditors with in-depth knowledge and experience in banking and audit, independent to the audited activities and with no involvement in the design, selection, implementation or operation of the Group's internal controls.

Each year, the Group Internal Audit Function prepares an annual audit plan, at Group level, ensuring synergies and improved coverage of audit areas. The 2019 Audit Plan covered risks related to NPE management, ICAAP & ILAAP processes and internal risk models, IT and cybersecurity, compliance with new regulations (IFRS 9, PSD II), as well as anti-fraud and continuous auditing. For 2020, the Audit Plan will focus, among others, on the following areas:

- **Corporate banking and NPE management**
- **ICAAP & ILAAP processes and internal risk models**
- **IT operations**
- **Business model sustainability**
- **AML/KYC**
- **Anti-fraud and continuous auditing.**

As required by IIA standards, the Group Internal Audit Function is periodically assessed by an external evaluator. The conclusion of the last quality review was that Group Internal Audit "Generally Conforms" (highest possible IIA rating) to the international standards for the professional practice of internal auditing and was benchmarked among peer organizations as a very mature audit unit with a score of 4.44/5.

Enhanced use of technology is a strategic objective for NBG's Internal Audit Function. During 2019, Group Internal Audit continued to enhance its Continuous Audit and Fraud Detection software platform, incorporating multiple audit scenarios run on a daily basis. The software features artificial intelligence and fuzzy-logic techniques and its coverage is planned to be expanded on additional business areas in the following years.

Moreover, during 2019 a new enterprise Governance, Risk & Control software platform (eGRC) has been selected to support the Group Internal Audit Function, as well as the other Bank's risk and control functions of the second line of defense. The platform's implementation phase will initialize within the second quarter of 2020 and will be supported and closely monitored by a project team combining experts from all functions involved (see above "*Internal Control System and Risk Management*").

During 2019, Group Internal Audit met its strategic goals, including audit methodology evolution (use of data analytics and key risk indicators, incorporation of productivity recommendations in audit reports) and staff empowerment (through training, certification and career development). Furthermore, during every audit engagement, the follow up of all relevant open issues from external, SSM, and other regulatory audits has been incorporated in the Group Internal Audit's methodology.

Another key development in 2019 was the establishment of a Group Internal Control Coordination Committee, which is coordinated by the Group CAE and has, as key objectives:

- the enhancement of synergies across the three Lines of Defence,
- the adoption of a common methodology framework,
- the monitoring and reporting of emerging risks.

The Committee has convened six times during 2019 and established multiple work groups to support key initiatives.

Risk Management Governance Framework

See section "*Risk Management*".

Regulatory Compliance and Corporate Governance

Within the context of appropriately incorporating the applicable Greek and EU legal and regulatory framework and best practices into the Group's operation, Compliance and Corporate Governance Function, oversee all compliance matters, in line with the applicable Greek and EU regulatory framework and supervisory authorities' decisions, as well as all Corporate Governance and Shareholder activities. In particular, the Compliance and Corporate Governance Functions include distinct Divisions, having competence over Corporate Governance, Corporate Social Responsibility Compliance, Anti-Money Laundering/Counter-Terrorist Financing ("AML/CFT"). The Compliance and Corporate Governance Functions continuously monitor developments in the applicable framework and best practices, each in their field of responsibility, and provide guidelines and support to the Bank Units and the Group Entities, while they monitor implementation of the applicable provisions. In that context, Compliance and Corporate Governance Function in 2019 continued to focus on the establishment of an adequate and effective compliance environment, in order to safeguard the reputation and credibility of the Bank and the Group against all stakeholders, including shareholders, customers, Supervisory and other Authorities.

In order to comply with the regulatory framework in force, the Bank has set up policies and procedures. The monitored areas include among others Corporate Governance, AML/CFT, Tax and other Public Authorities requests, Consumer Protection, Banking secrecy, Personal Data Protection etc.

Given the particular emphasis which the Group places in ensuring constant enhancement of corporate governance arrangements and practices applied, during 2019, the Group Corporate Governance and CSR Division focused on reviewing corporate governance policies, arrangements and practices (including the review of a series of Articles of the Bank's Articles of Association, in collaboration with the Bank's competent Divisions, which were eventually submitted to the Annual General Meeting of Shareholders for approval, in order to align with the provisions of Law 4548/2018 which replaced Company Greek Law 2190/1920), as well as the review of Board Committee Charters, so as to include, among others, references on the Committees' oversight competence over particular types of individual risks, on accountabilities at Executive level for the day to day management of those risks and of reports provided to each Committee), providing continuous support to the Board of Directors and Board Committees.

Moreover, in the context of further enhancement of the Director's Induction and ongoing training and development, Group Corporate Governance and CSR Division, updated the introductory informative program for the new Board members, covering among others issues concerning the Bank's Corporate Governance and organizational arrangements.

The Group Corporate Governance and CSR Division also proceeded with informing the Board Corporate Governance and Nominations Committee in developments in the regulatory framework and latest trends and practices in corporate governance, while it also briefed the Audit Committee on related parties' transactions.

Additionally, the Compliance and Corporate Governance Functions also provided support, advice and guidance to the Bank's Units in the context of ensuring the alignment and compliance of the Bank to the new regulatory framework and proceeded to actions regarding changes in policies and procedures, disclosures of participations in the share capital of the Bank, compliance with EU and national legislation to reform statutory audit and implementation of the non–financial information disclosure in the management report. Furthermore, the Compliance and the Corporate Governance Functions handled a number of projects, such as GDPR, MiFiD II, IDD, NPLs/NPEs management and PSD II.

Finally, the Compliance and Corporate Governance Functions continued to systematically follow and monitor developments and compliance in accordance with the applicable framework, while in parallel also being involved in the submission of a series of regular and ad hoc reports to supervisory Authorities and constituting the point of contact and liaison between the Authorities and the Bank.

Information provided pursuant to Directive 2004/25/EU of the European Parliament and Council

The information of Directive 2004/25/EU of the European Parliament and Council, required pursuant Article 152 of Greek Law 4548/2018 on Sociétés Anonymes are included to the Supplementary Report to the Annual General Meeting of Shareholders, which is a separate section of the Group and Bank Annual Financial Report.

Athens, 31 March 2020

THE CHAIRMAN OF THE BOARD OF DIRECTORS	THE CHIEF EXECUTIVE OFFICER
COSTAS P. MICHAELIDES	PAVLOS K. MYLONAS

Appendix for alternative performance measures

The definitions of NBG's Group selected figures (ratios/measures) are presented in the table below:

Balance Sheet	Statement of Financial Position
Common Equity Tier 1 ("CET1") ratio	CET1 capital as defined by Regulation No 575/2013, with the application of the regulatory transitional arrangements for IFRS 9 impact over RWAs.
CET1 ratio fully loaded	CET1 capital as defined by Regulation No 575/2013, without the application of the regulatory transitional arrangements for IFRS 9 impact over RWAs.
Core Income	Net Interest Income ("NII") + Net fee and commission income.
Core Operating Profit	Core income less operating expenses and loan impairments.
Core Pre-Provision Income ("core PPI")	Core Income less operating expenses.
Cost of Risk ("CoR")	Loan impairments of the year over average loans and advances to customers.
Cost-to-Core Income ratio	Operating expenses over core income.
Cost-to-Income ratio	Operating expenses over total income.
Deposits	Due to customers.
Domestic banking activities	Refers to banking business in Greece and includes retail, corporate and investment banking. Group's domestic operations includes Ethniki Leasing S.A (Ethniki Leasing), Probank Leasing S.A. (Probank Leasing) and Ethniki Factors S.A. (Ethniki Factors).
Net Fees & Commissions / Fees / Net Fees	Net fee and commission income
Funding cost	The weighted average cost of deposits, ECB refinancing, repo transactions, covered bonds and securitization transactions.
Gross loans	Loans and advances to customers before Expected Credit Loss ("ECL") allowance for impairment on loans and advances to customers and mandatorily at FVTPL
Interest earning assets	Interest earning assets include all assets with interest earning potentials and includes cash and balances with central banks, due from banks, financial assets at fair value through profit or loss (excluding Equity securities and mutual funds units), loans and advances to customers and investment securities (excluding equity securities and mutual funds units).
Liquidity Coverage Ratio ("LCR")	The LCR refers to the liquidity buffer of High Quality Liquid Assets ("HQLAs") that a Financial Institution holds, in order to withstand net liquidity outflows over a 30 calendar-day stressed period as per Regulation (EU) 2015/61.
Loan Impairments	Impairment charge for ECL.
Loans-to-Deposits Ratio	Loans and advances to customers over due to customers, at year end.

Net Interest Margin ("NIM")	Net interest income over average interest earning assets. Net Interest Margin equals net interest income divided by the average of interest earning assets (the average of interest earning assets at the end of the current year and the end of the previous year and all quarter ends in between (5 periods) for the year end).
Net Stable Funding Ratio ("NSFR")	The NSFR refers to the portion of liabilities and capital expected to be sustainable over the time horizon considered by the NSFR over the amount of stable funding that must be allocated to the various assets, based on their liquidity characteristics and residual maturities.
Non-Performing Exposures ("NPE")	Non-performing exposures are defined according to EBA ITS technical standards on Forbearance and Non-Performing Exposures as exposures that satisfy either or both of the following criteria: a. Material exposures which are more than 90 days past due. b. The debtor is assessed as unlikely to pay its credit obligations in full without realization of collateral, regardless of the existence of any past due amount or of the number of days past due.
NPE Coverage Ratio	ECL allowance for impairment for loans and advances to customers divided by NPE, excluding loans and advances to customers mandatorily classified as FVTPL, at period end.
NPE formation	Net increase / (decrease) of NPEs, before write-offs.
NPE Organic Formation	NPE balance change, excluding sales and write-offs
NPE ratio	NPEs divided by loans and advances to customers before ECL allowance for impairment at the end of the period.
Non-Performing Loans ("NPLs")	Loans and advances to customers at amortised cost that are in arrears for 90 days or more.
Operating Expenses	Personnel expenses + General, administrative and other operating expenses ("G&As") + Depreciation and amortisation on investment property, property & equipment and software and other intangible assets, excluding the additional social security contribution for LEPETE and for the years 2018-2019, restructuring cost and one-off costs. More specifically, for 2019, operating expenses exclude personnel expenses of €90 million related to defined contributions to LEPETE, VES cost of €96 million, restructuring cost of €14 million, impairments relating to termination of leases of branches and other one off costs €27 million. For 2018, operating expenses exclude restructuring cost related to the VES cost of €66 million and direct expenditure relating to the Transformation Program of €12 million.
Operating Profit / (Loss)	Total income less operating expenses and loan impairments.
Other impairments	Impairment charge for securities and Other provisions and impairment charges
Profit after Tax ("PAT")	Refers to the profit for the period from continuing operations
Profit / Loss) for the Period ("PAT") from Continuing Operations	Profit for the period from continuing operations, excluding the additional social security contribution for LEPETE and for the years 2018-2019, restructuring cost and one-off costs. More specifically, for 2019, operating expenses exclude personnel expenses of €90 million related to defined contributions to LEPETE, VES cost of €96 million, restructuring cost of €14 million, impairments relating to termination of leases of branches and other one off costs €27 million. For 2018, operating expenses exclude restructuring cost related to the VES cost of €66 million and direct expenditure relating to the Transformation Program of €12 million.
Pre-Provision Income ("PPI")	Total income less operating expenses, before loan impairments.

Risk Weighted Assets ("RWAs")	Assets and off-balance-sheet exposures, weighted according to risk factors based on Regulation (EU) No 575/2013.
Risk Adjusted NIM	NIM minus CoR
Staff Costs	Refer to personnel expenses
Tangible Equity / Book Value	Common equity less goodwill, software and other intangible assets.
Total Capital Ratio	Total capital as defined by Regulation No 575/2013, with the application of the regulatory transitional arrangements for IFRS 9 impact over RWAs.
Trading and Other Income / Non-Core Income	Net trading income / (loss) and results from investment securities ("trading income/(loss)") + Gains / (losses) arising from the derecognition of financial assets measured at amortised cost + Net other income / (expense) ("other income / (expense)")

The Board of Directors' report contains financial information and measures as derived from the Group and the Bank's financial statements for the year ended 31 December 2018 and 2019, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as endorsed by the EU. Additionally, it contains financial data which is compiled as a normal part of our financial reporting and management information systems. For instance, financial items are categorized as foreign or domestic on the basis of the jurisdiction of organization of the individual Group entity whose separate financial statements record such items.

Moreover, it contains references to certain measures which are not defined under IFRS, including "pre-provision income" ("PPI"), "net interest margin" and others, as defined above. These measures are non-IFRS financial measures. A non-IFRS financial measure is a measure that measures historical or future financial performance, financial position or cash flows but which excludes or includes amounts that would not be so adjusted in the most comparable IFRS measure. The Group believes that the non-IFRS financial measures it presents allow a more meaningful analysis of the Group's financial condition and results of operations. However, the non-IFRS financial measures presented are not a substitute for IFRS measures.

Supplementary Report

for the year ended 31 December 2019

Supplementary Report of the Board of Directors

To the Annual General Meeting of Shareholders of National Bank of Greece Pursuant to article 4 of Greek Law 3556/2007

Pursuant to article 4 of Greek Law 3556/2007, listed companies must submit a supplementary report to the Annual General Meeting of Shareholders providing detailed information on specific issues. This Board of Directors' supplementary report to the Annual General Meeting of Shareholders contains the required additional information.

A) Share capital structure

By resolution of the Bank's Annual General Meeting of 26 July 2018, it was decided to simultaneously (i) increase the share capital by €0.90, due to capitalization of an equal part of the Bank's special reserve of Article 4.4a of Codified Law 2190/1920[23], and (ii) increase the nominal value of each common registered voting share of the Bank from €0.30 to €3.00 and reduce the aggregate number of the Bank's old common registered shares from 9,147,151,527 to 914,715,153 new common registered shares with voting rights by means of a reverse split at a rate of ten old common shares of the Bank to one new common share of the Bank.

Further to the above, the Bank's share capital on 31 December 2019 amounted to €2,744,145,459 and is divided into 914,715,153 common shares of a nominal value of €3.00 each.

The Bank's shares are listed for trading on the Athens Exchange ("ATHEX"). National Bank of Greece shares used to also be listed on the New York Stock Exchange ("NYSE") in the form of American Depositary Receipts ("ADRs"). Following the termination of NBG's ADR program on 15 March 2018, the underlying ordinary shares of NBG continue to trade on the Athens Exchange. On 18 March 2019, the Bank announced that it has filed a Form 15F with the U.S. Securities and Exchange Commission (the "SEC") in order to terminate its registration and reporting obligations under the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"). As a result of this filing, NBG's reporting obligations with the SEC, including its obligations to file annual reports on Form 20-F and reports on Form 6-K, suspended immediately.

The rights of the shareholders of the Bank, arising from each share, are at first proportional to the percentage of the share capital to which they correspond. Each share carries the rights stipulated by law and the Articles of Association, with the reservation of the rights of 13,481,859 dematerialized ordinary shares held by HFSF, falling under the restrictions of article 7a par. 2 of Greek Law 3864/2010. In particular:

1. The following rights arise out of the 901,233,294 ordinary shares (corresponding to an amount of €2,703,699,882 or 98.53% of the Bank's total share capital) of which 355,986,916 owned by HFSF (corresponding to an amount of €1,067,960,748 or 38.92% of the Bank's total share capital):

[23] As of 1 January 2019, Greek Law 4548/2018 has entered into force, which replaces Codified Law 2190/1920

- The right to participate in and vote at the General Meeting of Shareholders.
- The right to a dividend from the Bank's profit for the year ended, or from liquidation, which amounts to 35% of the distributable profits, following deduction of the amounts specified in the applicable legal framework. This is annually distributed to shareholders as a statutory dividend, whereas the distribution of a supplementary dividend is subject to General Meeting resolution. Shareholders entitled to a dividend are those whose names appear in the Register of the Bank's Shareholders on the date the dividend beneficiaries are determined, and a dividend on each share owned by them is paid within two (2) months of the date of the General Meeting of Shareholders that approved the Bank's annual financial statements. The dividend payment method and place are announced in the press. After the lapse of five years from the end of the year in which the General Meeting approved the dividend, the right to collect the dividend expires and the corresponding amount is forfeited in favour of the Greek state.
- The pre-emptive right to each share capital increase in cash and issue of new shares.
- The right to access the Bank's financial statements, the certified public accountants' report and the Board of Directors' report via the Bank's website ten (10) days before the AGM.
- The General Meeting of Shareholders maintains all of its rights during liquidation proceedings (pursuant to Article 37 of the Bank's Articles of Association).

2. The 13,481,859 common shares held by HFSF (corresponding to an amount of €40,445,577 or 1.47% of the Bank's total share capital) according to the Article 7a par. 2 of the Greek Law 3864/2010, give the right to HFSF to exercise its voting rights in the General Meeting of Shareholders with the restrictions described in detail in Section E below (*"Restrictions to voting rights"*).

Moreover, the common shares held by HFSF provide also, as the common shares held by other private investors, dividend rights, pre-emptive right in case of share capital increase and the right to access the financial statements and auditors' reports, as mentioned above.

Furthermore, these common shares provide the HFSF representative to the Bank's Board of Directors, the following rights under the Greek Law 3864/2010, as in force:

- The right to request convening of the General Meeting of the Shareholders within the deadlines provided by Greek Law 3864/2010, as in force.
- Veto power over any decision taken by the Board of Directors:
  i. Regarding the distribution of dividends and the remuneration policy concerning the Chairman, the CEO as well as other members of the Board of Directors, the General Managers and their deputies; or
  ii. If the decision in question could seriously jeopardize the interests of depositors or seriously affect the Bank's liquidity or solvency or its overall sound and smooth operation (such as business strategy, management of assets and liabilities, etc.)
  iii. Related to corporate actions of paragraph 3 of article 7A of Law 3864/2010, meaning decisions regarding charter modifications, including capital increase or reduction or providing proxy powers to the Board of Directors to that effect, merger, division, conversion, revival, extension of duration or dissolution of the company, material asset transfers, including sales of subsidiaries, or any other matters that requires an increased majority as provided in Greek Law 4548/2018, which might substantially influence the Fund's participation at the share capital of the credit institution.
- The right to request an adjournment of any meeting of the Bank's Board of Directors for three (business) days, in order to receive instructions from the HFSF Executive Board. This right may be exercised until the end of the Board of Directors' meeting.
- The right to request convocation of the Board of Directors.
- The right to approve the appointment of the Chief Financial Officer.

While exercising the aforementioned rights to the Bank's Board of Directors, the HFSF Representative shall respect the Bank's business autonomy. Furthermore, for the purposes of Greek Law 3864/2010, as in force, the HFSF has free access to the Bank's books and records with employees or with consultants of its choice. As per Greek Law 3864/2010, as in force, the HFSF has also the right of preferential satisfaction from the liquidation proceeds with priority over all other shareholders, in the event of liquidation of the Bank.

Finally, the International Finance Corporation ("IFC") and the European Bank for Reconstruction and Development ("EBRD") participated in the Bank's share capital increase, which was completed in December 2015 with 66,666,667 shares and 166,666,666 shares respectively, by representing 0.73% and 1.82% over the Bank's total share capital, respectively. At that time, the Bank signed an agreement with each organization that remains in force as far as Bank's shares are held by the two organizations. From July 2017, IFC ceased to hold shares of the Bank. EBRD, as at 31 December 2019 held 1,566,753 shares of the Bank, or 0.17% over total share capital, while as at 5 March 2020, EBRD holds 504,390 shares of the Bank, or 0.06% over total share capital. Therefore, as the respective agreement with EBRD remains in force, EBRD has the right to propose a candidate Board of Directors member, which could be elected to sit on the Board of Directors, subject to applicable law, the Bank's relevant internal policies and shareholders' approval. Furthermore, the agreement includes representations, warranties and covenants as regards the Bank's compliance with applicable legislation concerning indicatively anti-money laundering, anti-corruption, and environmental and social management. The agreement prescribes that the Bank shall comply with the Performance Standards and Performance Requirements of EBRD according to the particular requirements outlined within the agreement. Finally, based on the agreement, the EBRD is entitled to receive reports from the Bank, mainly concerning its environmental and social management system.

B) Restrictions on transfers of the Bank's shares

The Bank's Articles of Association do not impose restrictions on the transfer of the common shares of the Bank. The disposal of shares of the Bank held by the HFSF is made pursuant to the provisions of the HFSF Law, article 8, as amended and in force.

C) Significant direct and indirect holdings as per Greek Law 3556/2007

As of 31 December 2019, there are no significant direct or indirect holdings as per Greek Law 3556/2007, i.e. of a direct or indirect participation percentage higher than 5% of the aggregate number of the Bank's ordinary shares, except for the 369,468,775 ordinary dematerialised registered shares with voting rights held by HFSF following the Bank's recapitalization in 2013 and 2015, of which 13,481,859 falling under the restrictions of article 7a par. 2 of Greek Law 3864/2010.

D) Shares with special control rights

There are no shares with special control rights with the following exceptions.

According to the stipulations of article 10 par. 2 of Greek Law 3864/2010, as amended and in force, HFSF has since 11 June 2012 a representative to the Bank's Board of Directors, with the abovementioned rights of Greek Law 3864/2010.

In particular, the objective of the HFSF according to Greek Law 3864/2010, as amended and in force, is to contribute to the maintenance of the stability of the Greek banking system, for the sake of public interest.

In pursuing its objective, the HFSF should, among others, (i) monitor and assess how credit institutions, to which capital support is provided by the HFSF, comply with their restructuring plans, (ii) exercise its shareholding rights in compliance with the rules of prudent management of its assets and in compliance with State aid and Competition rules of the European Union, (iii) ensure that the Bank operates on market terms, and (iv) that in due time the Bank returns to private ownership in an open and transparent manner.

For the purpose of accomplishing the aforementioned, the Bank and HFSF entered into a Relationship Framework Agreement dated 10 July 2013 (the initial Relationship Framework Agreement). Furthermore, in view of the capital injected to the Bank, as a result of the recapitalization, which was completed in December 2015, and in order for the HFSF to fulfill its objectives under Greek Law 3864/2010, as in force, exercise its rights and obligations and comply with the commitments undertaken through the Financial Assistance Facility Agreement[24] ("FFA") and the Memorandum of Understanding[25] ("MoU"), the HFSF and the Bank entered into the revised Relationship Framework Agreement dated 3 December 2015, which amended the initial Relationship Framework Agreement.

The Relationship Framework Agreement determines the relationship between the Bank and the HFSF and the matters related with, amongst others, (a) the corporate governance of the Bank, (b) the Restructuring Plan and its monitoring, (c) the monitoring of the implementation of the Bank's Non-Performing Loans ("NPLs") management framework and of the Bank's performance on NPL resolution. In addition to that, the Relationship Framework Agreement deals with (d) the Material Obligations and the switch to full voting rights, (e) the monitoring of Bank's actual risk profile against the approved Risk and Capital Strategy (f) the HFSF's consent for Material Matters, (g) Material Litigation and Proceedings concerning the Bank, and (h) the duties, rights and obligations of HFSF's Representative in the Board of Directors.

Moreover, the Relationship Framework Agreement mentions that subject to its provisions, the applicable Law and the Charter Documents, the Bank's decision making bodies will continue to determine independently, amongst others, the Bank's commercial strategy and policy in compliance with the Restructuring Plan and the decisions on the day-to-day operation of the Bank will continue to rest with the Bank's competent bodies and officers, as the case may be, in accordance with their statutory, legal and fiduciary responsibilities.

Furthermore, under the Relationship Framework Agreement, the Bank shall provide HFSF with all information and data concerning the Bank/Group and related matters that the HFSF reasonably deems necessary in order to safeguard its assets, monitor the Bank's implementation of the Restructuring Plan and to exercise its statutory rights and obligations, as well as the Contractual Obligations. In the context of efficient implementation of the Relationship Framework Agreement, the Bank and the HFSF shall cooperate effectively. Bank's and the HFSF's officers shall meet periodically and work collaboratively as part of the monitoring process of the Bank's Restructuring Plan in accordance with Clause 2.3 of the Relationship Framework Agreement. The HFSF's Executive Board and the Bank's Executive Committee members shall meet at least once per quarter while the Bank's management (including the Chief Financial Officer, the Chief Risk Officer, Head of Strategy, depending on the items of the agenda) and the HFSF's Directors and Portfolio Manager shall meet at least once per month.

In addition to the above, the HFSF Representative to the Bank's Board of Directors is appointed as a member in all Board Committees, while the Relationship Framework Agreement also provides for the appointment of an HFSF Observer (with no voting rights) at the Board of Directors and all Board Committees.

Further, the amended Relationship Framework Agreement foresees among others that:

- The Bank shall at each time adopt and apply a corporate governance structure that ensures the implementation of the Relationship Framework Agreement, compliant at any time with the requirements of the Law, the Contractual Obligations and the Restructuring Plan.
- Provide to the HFSF the documents, as required, in order to ensure the effective monitoring of the implementation of the Restructuring Plan and the NPL management framework, to effectively allow the HFSF to perform its statutory role.

[24] The agreement signed on 19 August 2015 by and between the European Stability Mechanism ("ESM"), the Hellenic Republic, the Bank of Greece and the HFSF.
[25] Means the memorandum signed on 19 August 2015 between the ESM, on behalf of the European Commission, the Hellenic Republic and the Bank of Greece.

- If the Bank has engaged, prior to the signing of the Relationship Framework Agreement, an external audit firm for more than five years, the Bank should replace the audit firm. The new engagement contracts should not exceed five years. The Bank's initial five-year period expired following the 2016 financial year. In this context, the Board of Directors approved at the meeting held on 18 January 2017 PwC as the most appropriate audit firm for the audit of the Group for the year ended 31 December 2017, following the recommendation of the Audit Committee. The appointment of PwC was approved by the 2017 Annual General Meeting of the NBG Shareholders held on 30 June 2017. The Annual General Meeting of the NBG shareholders held on 26 July 2018 appointed PwC to undertake the audit of the Group for the year ended 31 December 2018, following relevant proposal of the Audit Committee. The Annual General Meeting of the NBG shareholders held on 31 July 2019 appointed PwC to undertake the audit of the Group for the year ended 31 December 2019, following relevant proposal of the Audit Committee.
- In case of any actual or reasonably foreseeable adverse deviations in the Group's performance and risk profile, relative to the base scenario of the Restructuring Plan, or relative to the budget, or with respect to the Risk and Capital Strategy if adverse deviations have already been approved by the HFSF through the approval of the budget, the Board of Directors should promptly submit its recommended corrective strategic actions to the HFSF for its review and consent.
- Performance against the Restructuring Plan as well as progress on key initiatives undertaken by the Bank (e.g. Divestments, Integrations, etc.) will be performed as follows:
  i. Regular meetings between the Bank's management and the HFSF.
  ii. A formal monitoring review of performance against the Restructuring Plan or relative to the budget, if adverse deviations have already been approved by the HFSF through the approval of the budget, will be conducted on a quarterly basis, in line with the Bank's results reporting cycle. For the purpose of the monitoring reviews, the Bank will provide the HFSF with a report on its financial and business performance against the Restructuring Plan or relative to the budget, if adverse deviations have already been approved by the HFSF through the approval of the budget quarterly targets, clearly highlighting performance to date vs. restructuring plan targets as well as vs. budget, key initiatives and expected impact for the next four quarters rolling and identifying any adverse deviations from the targets and associated corrective measures /initiatives, which must be approved by the HFSF.
- The HFSF will monitor and evaluate the performance of the Bank's Board of Directors and its Committees.
- The Bank must receive the HFSF's prior written consent for a number of "Material Matters", as prescribed in the Relationship Framework Agreement.
- The Bank will inform in writing the HFSF as soon as it executes a non-binding agreement /MoU for the sale of (or receives any proposal from third parties for the acquisition of) a subsidiary of the Bank, or part of its business.
- The Board of Directors should conduct a self-assessment exercise on an annual basis not only as a whole, as per current legislation but also for each of its Committees. The results of this evaluation should be disclosed in the Annual Report on Corporate Governance.
- The Board of Directors should approve the following policies and amendments thereof: the Bank's Group Strategy, Policy and Governance regarding the management of its Arrears and NPLs, conflict of Interest policy, related party transactions policy, provisioning & write off policy, sponsorship/donation policy, outsourcing policy, Board / Committees self-assessment policy.

According to the provisions of the Relationship Framework Agreement, the HFSF Representative in the Board of Directors has the following rights:

- To request the Board of Directors to convoke the General Assembly of Shareholders or to include items on the agenda to be discussed at a General Assembly to be convoked by the Board of Directors. The request regarding the convocation of the General Assembly shall be addressed to the Chair of the Board of Directors in writing and shall include the proposed items on the agenda. The Board of Directors shall have the obligation to convoke the General Meeting upon respective request of the HFSF Representative. Furthermore, the Board of Directors shall have the obligation to include the proposed items in the respective invitation for the convocation of the General Meeting.
- To request that the Board of Directors is convened within the next seven calendar days from the HFSF's Representative written request to the Chair of the Board of Directors. The relevant request shall be addressed to the Chair of the Board of Directors in writing and include the proposed items on the agenda. If the Chair of the Board of Directors does not proceed to the convocation of the Board of Directors within the above deadline or does not include all the proposed items in the invitation, then the HFSF Representative shall be entitled to convoke the Board of Directors within five days as of the expiry of the above seven days period. Such invitation shall be notified to all the members of the Board of Directors.
- To include items in the agenda of a scheduled Board of Directors meeting, including any item which may be related to any entity of the Group. For this purpose, HFSF Representative will submit in writing to the Chair of the Board of Directors the desired additional items on the agenda at least two (2) business days prior to the date of the Board of Directors meeting. The Chair of the Board of Directors must include these items in the agenda of the scheduled Board of Directors meeting.
- To request an adjournment of any meeting of the Board of Directors or the discussion of any item up to three business days, if they find that the material, data or information and the supporting documents submitted to the HFSF pursuant to the items of the agenda of the forthcoming Board of Directors meeting are not sufficient.
- To approve the appointment of the Bank's Chief Financial Officer.

The HFSF has the right to perform/order field reviews and ad hoc audits with the participation of experts and or external auditors appointed by the HFSF, in order to fulfill its contractual obligations under the Relationship Framework Agreement. The HFSF shall have free access to the Bank's books and records for the purposes of Greek Law 3864/2010 as in force, with employees and/or consultants of HFSF's choice in order to ensure the effective exercise of the HFSF rights under the said Law, including monitoring of the implementation of the Restructuring Plan.

As outlined in Section A (*"Share capital structure"*) above, as the respective agreement with EBRD remains in force, EBRD has the right to propose a candidate Board member, which could be elected to sit on the Board of Directors, subject to applicable law, the Bank's relevant internal policies and shareholders' approval, while the agreement also includes representations, warranties and covenants as mentioned under Section A above.

E) Restrictions to voting rights

There are no restrictions to voting rights attached to the Bank's ordinary shares, except for the restrictions on ordinary shares held by HFSF which are subject to the provisions of article 7a par. 2 of Greek Law 3864/2010, as abovementioned.

More specifically, said shares give the right to HFSF to exercise its voting rights in the General Meeting of Shareholders only for decisions regarding amendments to the Articles of Association, including increase or reduction of capital or provision of proxy powers to the Board of Directors to that effect, merger, division, conversion, revival, extension of duration or dissolution of the company, transfer of assets, including the sale of subsidiaries or any other issue requiring an increased majority as provided by Greek Law 4548/2018. Specifically, in order to calculate quorum and majority at the General Meeting, these shares of HFSF are not taken into account regarding decisions on matters other than those mentioned above. According to Article 7a of Greek Law 3864/2010, HFSF exercises its full voting rights without the aforementioned limitations in case it is concluded, by decision of the HFSF General Council, that there is a breach of material obligations which are included in the restructuring plan or which promote its implementation or which are described in the Relationship Framework Agreement between the Bank and the HFSF.

F) NBG Shareholders' agreements

The Bank is not aware of any agreements between its shareholders resulting to restrictions in share transfers or in the exercise of voting rights. The only restrictions in share transfers or in the exercise of voting rights concern shares held by the HFSF, as outlined in Sections B and E above ("Restrictions on transfers of the Bank's shares" and "Restrictions to voting rights").

G) Rules regarding the appointment and replacement of Board of Directors members and amendments to Articles of Association

The provisions of the Bank's Articles of Association regarding the appointment and replacement of members of the Board of Directors, as well as for amendments to the Articles of Association are in alignment with the corresponding provisions of Greek Law 4548/2018, as in force. Relevant provisions regarding the appointment and replacement of Board of Directors members are included in the Corporate Governance Code and the Charter of the Corporate Governance and Nominations Committee that were lastly amended in 2019 as described in Sections "A. NBG'S Corporate Governance Code" and "B. NBG's Corporate Governance Key Policies and Practices" of the Corporate Governance Statement.

In the context of the recapitalization of the Greek banks and specifically pursuant to the provisions of Greek Law 3864/2010, as currently in force, and Cabinet Acts 15/2012 and 38/2012, and following the contribution on 28 May 2012 to the Bank by HFSF of EFSF bonds as an advance for the participation in the Bank's future share capital increase, HFSF, pursuant to the Presubscription Agreement dated 28 May 2012 and executed by the Bank, HFSF and EFSF, as amended and restated on 21 December 2012, has a Representative to the Bank's Board of Directors, who has the rights provided by Greek Law 3864/2010 and the terms of the Relationship Framework Agreement, as in force.

As outlined in Section A (*"Share capital structure"*) above, as the respective agreement with EBRD remains in force, EBRD has the right to propose a candidate Board of Directors member, which could be elected to sit on the Board of Directors, subject to applicable law, the Bank's relevant internal policies and shareholders' approval.

H) Board of Directors' authority for the issue of new shares or the purchase of own shares

Issue of new shares

Pursuant to the provisions of Greek Law 4548/2018 Article 24 par. 1, by General Meeting resolution, subject to the publication requirements provided for under Greek Law 4548/2018 Articles 12 and 13, the Board of Directors can increase the Bank's share capital through the issue of new shares by resolution adopted on a two-third-majority basis. In that case, pursuant to Article 5 of the Bank's Articles of Association, the Bank's share capital may increase up to three times the level of the capital in existence as at the date the said powers are delegated to the Board of Directors (extraordinary increase). The said authorization may be renewed from the General Meeting, each time for a period of up to 5 years.

On 19 June 2015, the Annual General Meeting of shareholders approved authorization for the Board of Directors to increase the Bank's share capital, as per Article 13 of Codified Law 2190/1920 and/or arrange the issue of convertible bond loans, as per Article 3a of Codified Law 2190/1920 and Article 5 of the Bank's Articles of Association, up to the total paid-up share capital of the Bank as at the time of the General Meeting as regards the share capital increase, i.e. €2,413,736,838.60, and up to 50% of the total paid-up share capital of the Bank as at the time of the General Meeting as regards convertible bond loans, i.e. 1,206,868,419.30. The Meeting authorized the Board of Directors to decide at its discretion the detailed terms of such increase and/or issue of bond loans, subject to the provisions of law.

Stock options

In accordance with Greek Law 4548/2018 Article 113, pursuant to a General Meeting resolution a Stock Options Program may be launched for the management and staff in the form of options to acquire shares of the Bank as per the terms of the resolution. The General Meeting resolution determines the maximum number of shares to be issued if the beneficiaries' stock options are exercised, which by law cannot exceed 1/10 of the Bank's existing shares, as well as the purchase price and the terms of allocation of the shares to the beneficiaries.

Currently, there are no active Stock Options Programs.

Purchase of own shares

Articles 49 and 50 of Greek Law 4548/2018 prescribe provisions for the acquisition of own shares, pursuant to a General Meeting resolution. However, pursuant to the restrictions imposed by article 16C of Greek Law 3864/2010 during the period of HFSF participation in the capital of the Bank, it is prohibited for the Bank to purchase own shares without HFSF approval.

During 2019, National Securities S.A. (the Bank's subsidiary which conducts treasury shares transactions for its brokerage business) acquired 12,851,604 and disposed of 12,925,281 of the Bank's shares at the amount of €25 million and €24 million respectively. On 31 December 2019, the Bank did not hold any own shares, while NBG Securities S.A., held 300,123 own shares corresponding to 0.0328% of the Bank's total share capital.

I) Significant agreements that come into effect, are modified or terminated in the event of a change in control following a public offering

There are no significant agreements that shall come into effect, be modified or terminated in the event of a change in control of the Bank following a public offering.

J) Agreements with Board of Directors members or officers of the Bank

In the case of the Chair and executive members of the Board of Directors and the highly ranked officers (General Managers and Assistant General Managers) the Bank reserves the right for groundless termination of their employment contracts by paying specific levels of compensation, as specified in the contract. The compensation may reflect the entitled salaries for the remaining period of the contract. Especially as to the members of the Board of Directors which are part of senior management, as defined as part of the resolutions of the Annual General Meeting of Shareholders of 2018, the compensation may not exceed the salaries of six (6) months.

Athens, 31 March 2020

THE CHAIRMAN OF THE BOARD OF DIRECTORS	THE CHIEF EXECUTIVE OFFICER
COSTAS P. MICHAELIDES	PAVLOS K. MYLONAS

TRANSLATION

Independent Auditor's Report

To the Shareholders of "National Bank of Greece S.A."

Report on the audit of the financial statements

Our opinion

We have audited the accompanying financial statements of "National Bank of Greece S.A." (Bank and Group) which comprise the statement of financial position as of 31 December 2019, the statements of income, comprehensive income, changes in equity and cash flow statements for the year then ended, and notes[1] to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects the financial position of the Bank and the Group as at 31 December 2019, their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union and comply with the statutory requirements of Law 4548/2018.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs), as they have been transposed into Greek Law. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

During our audit we remained independent of the Bank and the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) that has been transposed into Greek Law, and the ethical requirements of Law 4449/2017 and of Regulation (EU) No 537/2014, that are relevant to the audit of the financial statements in Greece. We have fulfilled our other ethical responsibilities in accordance with Law 4449/2017, Regulation (EU) No 537/2014 and the requirements of the IESBA Code.

We declare that the non-audit services that we have provided to the Bank and its subsidiaries are in accordance with the aforementioned provisions of the applicable law and regulation and that we have not provided non-audit services that are prohibited under Article 5(1) of Regulation (EU) No 537/2014.

The non-audit services that we have provided to the Bank and its subsidiaries, for the year ended 31 December 2019, are disclosed in note 45 to the financial statements

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the year ended 31 December 2019. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	*How our audit addressed the key audit matter*
Expected credit loss allowances for loans and advances to customers under IFRS 9	
Due to the magnitude of the loans and advances balances and the extent of management judgement inherent in the impairment calculations, allowance for impairment of loans and advances to customers has been identified as an area of most significance in the current year audit of the Bank's and Group's financial statements. With the introduction of IFRS 9 in 2018, a number of additional judgements and assumptions were introduced and are reflected in the financial statements, including the identification of significant increases in credit risk and the application of forward-looking economic scenarios. **Economic Analysis** The Group's Economic Analysis Division develops future economic scenarios by using a system of macroeconomic equations.	We considered the appropriateness of accounting policies and assessed the loan impairment methodologies applied and compared these to the requirements of IFRS 9. We understood management's process and tested key controls over the determination of the allowance for impairment on loans and advances to customers. **Economic Analysis** We understood management's process and tested key controls relating to the generation, selection and weighting applied to economic scenarios. With the support of our internal specialists, when needed, we: • Assessed the identification and use of appropriate external economic data; • Assessed the methodology for determining the economic scenarios used and the probability weightings applied to

[1] Certain required disclosures have been presented elsewhere in the Board of Directors Report, rather than in the notes to the financial statements. These disclosures are cross-referenced from the financial statements and are identified as audited

Estimates for three macroeconomic scenarios represent distinct economic scenarios and sensitivities of historical loss experience. These three scenarios together with relative weightings are then provided for incorporation into the Stage allocation process and the calculation of expected credit loss allowances.

Retail Lending

Apart from a small part of the Small Business Lending portfolio, expected credit loss allowances relating to Retail lending exposures are determined on a portfolio basis.

Statistical impairment models are used in calculating the impairment provision on a portfolio basis. The following inputs to these models require significant judgement by management:

- The probability of default (PD);
- The loss given default (LGD); and
- Valuation of Recoveries

Management also applies overlays where they believe that the calculated assumptions are not appropriate, either due to emerging trends or the models not capturing the risks in the loan portfolio.

Corporate Lending

A significant proportion of Corporate Lending loans with signs of Credit impairment are assessed on an individual basis. Significant judgements, estimates and assumptions have been made by management to:

- Determine if the loan is impaired;
- Evaluate adequacy, recoverability, value of collateral and timing of collateral liquidation;
- Determine the expected cash flows to be collected under multiple weighted scenario outcomes; and
- Estimate the timing of the future cash flows.

An expected credit loss allowance is also determined on Corporate loans and advances which are not individually assessed, using impairment models based on key assumptions including probability of default (PD) and loss given default (LGD). Management applies overlays when necessary to address developments not captured by the model.

Please refer to notes 3, 4.2 and 21 of the annual financial statements for more details on critical judgements and estimates on how the Bank and Group manage and measure credit risk, and for the allowance for impairment on loans and advances to customers.

them;

- Understood and assessed the design, implementation and operation of key related controls; and
- Assessed the risk of bias in the forecasts, as well as the existence of contrary evidence.

Based on the evidence obtained, we consider that the data used were appropriate, the key assumptions were reasonable and that the economic scenarios adopted reflect an unbiased, probability weighted view.

Retail Lending

Where impairment provisions were calculated on a collective basis, with the support of our internal credit risk specialists, when needed, we:

- Assessed the appropriateness of the portfolios' segmentation based on specific credit characteristics;
- Understood and tested key controls around the determination of expected credit loss allowances;
- Tested the completeness and accuracy of data used in the impairment models by agreeing details to the source systems;
- Assessed the design and implementation of the models, including significant assumptions and the quality of the observable data used to derive model parameters;
- Assessed the reasonableness of the impairment model methodology applied by management and key modelling judgements to determine the credit risk parameters for the expected credit loss calculation; and
- Assessed the appropriateness of management's overlays in light of recent economic events and circumstances, and other factors that might not yet be fully reflected in the impairment models.

Based on the evidence obtained, we found that the methodologies, impairment model assumptions, management judgements and data used within the allowance assessment were appropriate and in line with the requirements of IFRS 9.

Corporate Lending

Where impairment was recognised on an individual basis, we considered the impairment indicators, uncertainties and assumptions applied by management in their assessment of the recoverability of the exposure and supporting collateral with reference to current economic performance, assumptions most commonly used in the industry, and comparison with external evidence or historical trends.

For a sample of individually impaired loans, we understood the latest developments in relation to each case and considered whether key judgments were appropriate. We also re-performed the impairment calculation and tested key inputs including the expected cash flows to be collected, timing of the collection, discount rates used and the valuation of any collateral held that was included in the expected cash flows. For the aforementioned sample we inspected legal agreements and supporting documentation to confirm the existence and legal right to collateral. We assessed collateral valuation techniques applied against Bank and Group policy and industry standards.

We selected a sample of loans that had not been identified as

	impaired and formed an independent view, critically assessing whether a credit impairment event occurred and therefore whether they were appropriately categorised. Where impairment provisions were calculated on a collective basis, we carried out the same procedures as for the retail portfolio indicated above. Based on the evidence obtained, we found that the methodologies, impairment model assumptions, management judgements and data used within the allowance assessment were appropriate and in line with the requirements of IFRS 9.
National Bank of Greece Auxiliary Pension Plan ("LEPETE")	
The Bank's employees' Auxiliary Pension Plan provided for defined contributions to be made by the Bank at a rate of 9% of the employee's salary. The aforementioned plan covered almost all pensioners and active employees hired prior to 1 January 2005. As per Law 3371/2005 the Bank's employees hired after 1 January 2005 are insured in the Unified Auxiliary Social Security and Lump Sum Benefits Fund ("ETEAEP"). The Bank's contributions to this fund, are limited to 3,5% on the respective employee's salaries. LEPETE was treated as a defined contribution scheme on the basis that the Bank had no obligation to make any payments other than the defined contribution of 9%. The Bank had been providing financial assistance to LEPETE, in excess of the 9% monthly contributions, for the latter to cover cash shortfalls. The Bank's Board of Directors decided during its meeting on 30 June 2017 to discontinue the provision of this additional financial assistance to LEPETE from October 2017 onwards. Former employees have taken legal action against the Bank, claiming that the Auxiliary Pension Plan is a defined benefit scheme and as such the Bank has an obligation to cover any deficits. In early June 2019 a new law was enacted (Law 4618/2019) which effectively transferred Bank employees and pensioners from LEPETE to ETEAEP and requiring the Bank to cover certain costs. On 19 March 2020, an amendment to the aforementioned law was passed, which specifies the additional social security contributions to be paid by the Bank. We considered LEPETE to be a key audit matter mainly because of the complexities involved and the high level of judgement required by management in estimating the future outcome of the legal actions and the extent to which the additional social security contributions to the Auxiliary Insurance Plan of e-EFKA for the years 2020 to 2032, are linked to the economic benefit to arise for the Bank from the future service of the transferred employees. Please refer to note 11 of the annual financial statements for more details on the matter.	We have discussed with the management and reviewed relevant documentation, expert opinions and actuarial calculations in order to understand and assess: • The status of all pending litigations regarding LEPETE; and • Whether the Bank should make a provision for related costs in accordance with IFRS. Based on the work performed and the evidence obtained, we found management's assessment and the related accounting treatment to be appropriate.
Recoverability of Deferred Tax Assets ('DTA')	
The Bank and Group recognised DTA of €4.9bn in relation to tax deductible temporary differences. Assessing its recoverability requires significant judgement and the use of estimates. The Bank and the Group have recognised DTA for deductible temporary differences to the extent it considers this to be recoverable. These differences relate to:	We have assessed the reasonableness of the assumptions used in drafting the business plan, that was approved by the Bank's and Group's Board of Directors taking into account the execution risks and uncertainties stemming from the macroeconomic environment in Greece. Specifically, we: • Compared these to our own expectations derived from our

• The losses resulted from Group's participation in the Greek debt voluntary restructuring ("PSI+") and subsequent debt buyback program of 2012, which are subject to a 30 year tax amortization, starting from year 2012; and • the loan impairment losses that can offset future taxable gains according to current tax legislation. The recoverability of the recognised DTA is dependent on the Bank's and the Group's ability to generate future taxable profits sufficient to cover the deductible temporary differences when such differences crystallise for tax purposes. Management's assessment regarding the ability of the Bank and the Group to generate future taxable profits requires the use of significant judgement and estimates as indicated below: • The assumptions that underpin the business plan of the Group; • the projections required to cover the time horizon up to the legal expiration of the period within which the DTA can be recovered; and • the adjustments required to derive the estimated tax profits from the projected accounting profits to infer the amount of DTA that will be recoverable in future periods. Business plans may be impacted by the risks and uncertainties stemming from the macroeconomic environment in Greece. Please refer to notes 3.2 and 27 of the annual financial statements for more details on critical accounting judgements and estimates and note of deferred tax asset.	knowledge of the industry and our understanding obtained during our audit and; • Performed a sensitivity analysis to determine the effect of changes in the assumptions and how estimation uncertainty may affect the Bank's and the Group's projected profitability. For the purpose of our recoverability assessment we have evaluated the appropriateness of the adjustments applied to convert accounting profits into taxable ones and have assessed management's projections beyond the business plan horizon. Furthermore, our procedures also included assessing management's interpretations of current tax legislation with respect to the accounting write-offs and the gradual amortisation of the crystallised tax loss arising from non performing loans' disposals, and debt forgiveness arrangements. We evaluated the adequacy of the financial statements' disclosures, including disclosures of key assumptions and judgements. Based on the evidence obtained we found management's assessment with respect to the recoverability of the DTA to be reasonable.
IT systems	
The Bank's and Group's financial reporting processes are highly reliant on information produced by the Bank's and Group's Information Technology (IT) systems, and / or automated processes and controls (i.e. calculations, reconciliations) implemented in these systems. The nature, complexity and the increased use of these information systems combined with the large volume of transactions being processed on a daily basis increase the risk over the effective inter-connectivity of the IT systems and data, and the risk around the degree of reliability of the financial reporting information. The banking environment is also subject to a number of internal and external threats relating to cyber security.	We assessed the information security resilience of the Bank and Group by evaluating the design and implementation of key IT processes and controls over financial reporting. More specifically, we assessed the administration of access, changes and daily IT operations for key layers of underlying infrastructure (i.e. application, operating system, database) for the systems in scope of the audit. In addition, in order to place reliance on the system generated information (i.e. data and reports), and any automated controls (i.e. calculations, reconciliations) implemented in these systems, we have also relied on business process controls, and performed additional substantive procedures as part of our audit.

Other Information

The members of the Board of Directors are responsible for the Other Information. The Other Information, which is included in the Annual Report in accordance with Law 3556/2007, is the Certification of the Board of Directors, the Board of Directors' Report, the Board of Directors' Supplementary Report to the Annual General Meeting of the Shareholders, Disclosures of Law 4261/2014 Art.81, Disclosures of Law 4261/2014 Art. 82 and Disclosures of article 6 of Law 4374/2016 (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report.

Our opinion on the financial statements does not cover the Other Information and except to the extent otherwise explicitly stated in this section of our Report, we do not express an audit opinion or other form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the Other Information identified above and, in doing so, consider whether the Other Information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We considered whether the Board of Directors Report includes the disclosures required by Law 4548/2018 and the Corporate Governance Statement required by article 152 of Law 4548/2018 has been prepared.

Based on the work undertaken in the course of our audit, in our opinion:

- The information given in the Board of Directors' Report for the year ended at 31 December 2019 is consistent with the financial statements;
- The Board of Directors' Report has been prepared in accordance with the legal requirements of articles 150,151,153 and 154 of Law 4548/2018,
- The Corporate Governance Statement provides the information referred to items c and d of paragraph 1 of article 152 of Law 4548/2018.

In addition, in light of the knowledge and understanding of the Bank and Group and their environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Board of Directors' Report and Other Information that we obtained prior to the date of this auditor's report. We have nothing to report in this respect.

Responsibilities of Board of Directors and those charged with governance for the financial statements of the Group

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union and comply with the requirements of Law 4548/2018, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 they have been transposed into Greek Law, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs that have been transposed into Greek Law, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 the Board of Directors.
- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's 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 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Bank and 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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our Auditor’s Report.

Report on other legal and regulatory requirements

1. Additional Report to the Audit Committee

Our opinion on the accompanying financial statements is consistent with our as per Art. 11 of Regulation (EU) No 537/2014 additional Report to the Audit Committee of the Bank.

2. Appointment

We were first appointed as auditors of the Company by the decision of the annual general meeting of shareholders on 30 June 2017. Our appointment has been renewed annually by the decision of the annual general meeting of shareholders for a total uninterrupted period of appointment of 3 years.

PricewaterhouseCoopers S.A.
268 Kifissias Avenue, Halandri 152 32
SOEL Reg. No. 113

Athens, 31 March 2020
The Certified Auditor

Marios Psaltis
SOEL Reg. No. 38081

Group and Bank
Annual Financial Statements

as at and for the year ended 31 December 2019

Statement of Financial Position
as at 31 December 2019

€ million	Note	Group 31.12.2019	Group 31.12.2018	Bank 31.12.2019	Bank 31.12.2018
ASSETS					
Cash and balances with central banks	17	3,502	5,138	3,302	4,904
Due from banks	18	2,974	2,587	2,902	2,507
Financial assets at fair value through profit or loss	19	463	4,519	439	4,508
Derivative financial instruments	20	4,833	3,791	4,833	3,791
Loans and advances to customers	21	29,181	30,134	27,911	29,103
Investment securities	22	8,889	4,440	8,587	4,239
Investment property	23	152	1,016	6	6
Investments in subsidiaries	43	-	-	1,139	1,467
Equity method investments	24	8	8	6	7
Goodwill, software and other intangible assets	25	201	150	199	147
Property and equipment	26	1,715	1,046	1,264	262
Deferred tax assets	27	4,911	4,909	4,906	4,906
Current income tax advance		366	359	358	351
Other assets	28	2,444	1,777	2,350	1,637
Non-current assets held for sale	29	4,609	5,221	1,159	1,452
Total assets		**64,248**	**65,095**	**59,361**	**59,287**
LIABILITIES					
Due to banks	30	4,449	7,667	4,780	8,143
Derivative financial instruments	20	2,870	2,131	2,870	2,131
Due to customers	31	43,648	43,027	42,661	42,249
Debt securities in issue	32	1,365	1,146	1,365	848
Other borrowed funds	33	5	268	-	-
Deferred tax liabilities	27	12	14	-	-
Retirement benefit obligations	11	267	239	264	237
Current income tax liabilities		1	9	-	-
Other liabilities	34	2,761	864	2,374	930
Liabilities associated with non-current assets held for sale	29	3,593	4,092	114	111
Total liabilities		**58,971**	**59,457**	**54,428**	**54,649**
SHAREHOLDERS' EQUITY					
Share capital	36	2,744	2,744	2,744	2,744
Share premium account	36	13,866	13,866	13,863	13,863
Less: treasury shares		(1)	-	-	-
Reserves and retained earnings	38	(11,533)	(11,570)	(11,674)	(11,969)
Amounts recognised directly in equity relating to non-current assets held for sale		183	(78)	-	-
Equity attributable to NBG shareholders		**5,259**	**4,962**	**4,933**	**4,638**
Non-controlling interests	39	18	676	-	-
Total equity		**5,277**	**5,638**	**4,933**	**4,638**
Total equity and liabilities		**64,248**	**65,095**	**59,361**	**59,287**

Athens, 31 March 2020

THE CHAIRMAN OF THE BOARD OF DIRECTORS	THE CHIEF EXECUTIVE OFFICER	THE CHIEF FINANCIAL OFFICER
COSTAS P. MICHAELIDES	PAVLOS K. MYLONAS	CHRISTOS D. CHRISTODOULOU

The notes on pages 140 to 258 form an integral part of these annual financial statements

Income Statement
for the year ended 31 December 2019

		Group		Bank	
		12-month period ended		12-month period ended	
€ million	Note	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Continuing Operations					
Interest and similar income		1,433	1,334	1,335	1,244
Interest expense and similar charges		(247)	(221)	(265)	(212)
Net interest income	6	**1,186**	**1,113**	**1,070**	**1,032**
Fee and commission income		355	333	313	294
Fee and commission expense		(100)	(92)	(88)	(82)
Net fee and commission income	7	**255**	**241**	**225**	**212**
Net trading income / (loss) and results from investment securities	8	181	9	182	6
Gains / (losses) arising from the derecognition of financial assets measured at amortised cost		100	8	100	8
Net other income / (expense)	9	(41)	(88)	(60)	67
Total income		**1,681**	**1,283**	**1,517**	**1,325**
Personnel expenses	10	(602)	(560)	(572)	(528)
General, administrative and other operating expenses	12	(223)	(249)	(193)	(286)
Depreciation and amortisation on investment property, property & equipment and software & other intangible assets	23, 25, 26	(126)	(73)	(132)	(68)
Credit provisions and other impairment charges	13	(342)	(310)	(355)	(299)
Restructuring costs	14	(118)	(78)	(116)	(78)
Profit before tax		**270**	**13**	**149**	**66**
Tax benefit / (expense)	15	(13)	(26)	-	(4)
Profit (loss) for the period from continuing operations		**257**	**(13)**	**149**	**62**
Discontinued Operations					
Profit for the period from discontinued operations	29	**(494)**	**(37)**	**(143)**	**(55)**
Profit (loss) for the period		**(237)**	**(50)**	**6**	**7**
Attributable to:					
Non-controlling interests	39	18	34	-	-
NBG equity shareholders		**(255)**	**(84)**	**6**	**7**
Earnings / (losses) per share (Euro) - Basic and diluted from continuing operations	16	**€0.28**	**€(0.02)**	**€0.16**	**€0.07**
Earnings / (losses) per share (Euro) - Basic and diluted from continuing and discontinued operations	16	**€(0.28)**	**€(0.09)**	**€0.01**	**€0.01**

Athens, 31 March 2020

THE CHAIRMAN OF THE BOARD OF DIRECTORS	THE CHIEF EXECUTIVE OFFICER	THE CHIEF FINANCIAL OFFICER
COSTAS P. MICHAELIDES	PAVLOS K. MYLONAS	CHRISTOS D. CHRISTODOULOU

The notes on pages 140 to 258 form an integral part of these annual financial statements

Statement of Comprehensive Income

for the year ended 31 December 2019

€ million	Note	Group 12-month period ended 31.12.2019	Group 12-month period ended 31.12.2018	Bank 12-month period ended 31.12.2019	Bank 12-month period ended 31.12.2018
Profit for the period		**(237)**	**(50)**	**6**	**7**
Other comprehensive income / (expense):					
Items that may be reclassified subsequently to profit or loss:					
Available-for-sale securities, net of tax		203	(32)	-	-
Investments in debt instruments measured at fair value through other comprehensive income ("FVTOCI"), net of tax		315	(63)	314	(63)
Currency translation differences, net of tax		58	(1)	7	-
Cash flow hedge, net of tax		(24)	-	(24)	-
Net investment hedge, net of tax		8	-	-	-
Total of items that may be reclassified subsequently to profit or loss		**560**	**(96)**	**297**	**(63)**
Items that will not be reclassified subsequently to profit or loss:					
Investments in equity instruments measured at FVTOCI, net of tax		13	(17)	11	(18)
Remeasurement of the net defined benefit liability / asset, net of tax		(29)	3	(25)	3
Total of items that will not be reclassified subsequently to profit or loss		**(16)**	**(14)**	**(14)**	**(15)**
Other comprehensive income / (expense) for the period, net of tax	37	**544**	**(110)**	**283**	**(78)**
Total comprehensive income / (expense) for the period		**307**	**(160)**	**289**	**(71)**
Attributable to:					
Non-controlling interests		18	34	-	-
NBG equity shareholders		**289**	**(194)**	**289**	**(71)**

Athens, 31 March 2020

THE CHAIRMAN OF THE BOARD OF DIRECTORS	THE CHIEF EXECUTIVE OFFICER	THE CHIEF FINANCIAL OFFICER
COSTAS P. MICHAELIDES	PAVLOS K. MYLONAS	CHRISTOS D. CHRISTODOULOU

The notes on pages 140 to 258 form an integral part of these annual financial statements

Statement of Changes in Equity - Group
for the year ended 31 December 2019

€ million	Share capital	Share premium	Treasury shares	Securities at FVTOCI	Currency translation reserve	Net investment hedge	Cash flow hedge	Defined benefit plans	Other reserves & Retained earnings	Total	Non-controlling Interests	Total
	Attributable to equity holders of the parent company											
	Ordinary shares	Ordinary shares										
Balance at 1 January 2018	**2,744**	**13,866**	**-**	**160**	**13**	**(119)**	**-**	**(165)**	**(9,803)**	**6,696**	**683**	**7,379**
Impact of IFRS 9	-	-	-	42	-	-	-	-	(1,582)	**(1,540)**	-	**(1,540)**
Balance at 1 January 2018 adjusted for impact of IFRS 9	**2,744**	**13,866**	**-**	**202**	**13**	**(119)**	**-**	**(165)**	**(11,385)**	**5,156**	**683**	**5,839**
Other Comprehensive Income/ (expense) for the period	-	-	-	(112)	(1)	-	-	3	-	**(110)**	-	**(110)**
Profit for the period	-	-	-	-	-	-	-	-	(84)	**(84)**	34	**(50)**
Total Comprehensive Income / (expense) for the period	**-**	**-**	**-**	**(112)**	**(1)**	**-**	**-**	**3**	**(84)**	**(194)**	**34**	**(160)**
Dividend distribution	-	-	-	-	-	-	-	-	-	**-**	(41)	**(41)**
Balance at 31 December 2018	**2,744**	**13,866**	**-**	**90**	**12**	**(119)**	**-**	**(162)**	**(11,469)**	**4,962**	**676**	**5,638**
Impact of IFRS 16	-	-	-	-	-	-	-	-	4	**4**	-	**4**
Balance at 1 January 2019 adjusted for impact of IFRS 16	**2,744**	**13,866**	**-**	**90**	**12**	**(119)**	**-**	**(162)**	**(11,465)**	**4,966**	**676**	**5,642**
Other Comprehensive Income/ (expense) for the period	-	-	-	531	58	8	(24)	(29)	3	**547**	-	**547**
Profit / (loss) for the period	-	-	-	-	-	-	-	-	(255)	**(255)**	18	**(237)**
Total Comprehensive Income / (expense) for the period	**-**	**-**	**-**	**531**	**58**	**8**	**(24)**	**(29)**	**(252)**	**292**	**18**	**310**
Acquisitions, disposals & share capital increases of subsidiaries/equity method investments	-	-	-	-	-	-	-	-	2	**2**	(661)	**(659)**
Dividend distribution	-	-	-	-	-	-	-	-	-	**-**	(15)	**(15)**
(Purchases)/ disposals of treasury shares	-	-	(1)	-	-	-	-	-	-	**(1)**	-	**(1)**
Balance at 31 December 2019	**2,744**	**13,866**	**(1)**	**621**	**70**	**(111)**	**(24)**	**(191)**	**(11,715)**	**5,259**	**18**	**5,277**

The notes on pages 140 to 258 form an integral part of these annual financial statements

Statement of Changes in Equity - Bank

for the year ended 31 December 2019

€ million	Share capital	Share premium	Securities at FVTOCI reserve	Currency translation reserve	Cash flow hedge reserve	Defined benefit plans	Other reserves & retained earnings	Total
	Ordinary shares	Ordinary shares						
Balance at 1 January 2018	**2,744**	**13,863**	**92**	**(56)**	**-**	**(161)**	**(10,268)**	**6,214**
Impact of IFRS 9 adoption	-	-	41	-	-	-	(1,546)	**(1,505)**
Balance at 1 January 2018 adjusted for IFRS 9 impact	**2,744**	**13,863**	**133**	**(56)**	**-**	**(161)**	**(11,814)**	**4,709**
Other Comprehensive Income/ (expense) for the period	-	-	(81)	-	-	3	-	**(78)**
Profit for the period	-	-	-	-	-	-	7	**7**
Total Comprehensive Income / (expense) for the period	**-**	**-**	**(81)**	**-**	**-**	**3**	**7**	**(71)**
Balance at 31 December 2018	**2,744**	**13,863**	**52**	**(56)**	**-**	**(158)**	**(11,807)**	**4,638**
Impact of IFRS 16 adoption	-	-	-	-	-	-	4	**4**
Balance at 1 January 2019 adjusted for IFRS 16 impact	**2,744**	**13,863**	**52**	**(56)**	**-**	**(158)**	**(11,803)**	**4,642**
Other Comprehensive Income/ (expense) for the period	-	-	325	7	(24)	(25)	2	**285**
Profit for the period	-	-	-	-	-	-	6	**6**
Total Comprehensive Income / (expense) for the period	**-**	**-**	**325**	**7**	**(24)**	**(25)**	**8**	**291**
Balance at 31 December 2019	**2,744**	**13,863**	**377**	**(49)**	**(24)**	**(183)**	**(11,795)**	**4,933**

The notes on pages 140 to 258 form an integral part of these annual financial statements

Cash Flow Statement
for the year ended 31 December 2019

	Group		Bank	
	12-month period ended		12-month period ended	
€ million	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Cash flows from operating activities				
Profit / (loss) before tax	**(195)**	**14**	**6**	**12**
Adjustments for:				
Non-cash items included in income statement and other adjustments:	**865**	**471**	**411**	**226**
Depreciation and amortisation on investment property & equipment and intangibles	132	91	134	69
Amortisation of premiums /discounts of investment securities, debt securities in issue and borrowed funds	(17)	(14)	(13)	(13)
Credit provisions and other impairment charges	1,000	431	665	381
Provision for employee benefits	78	14	60	10
Result from fair value hedges	30	6	30	6
Dividend income from investment securities	(5)	(3)	(18)	(180)
Net (gain) / loss on disposal of property & equipment and investment property	2	(1)	2	1
Net (gain) / loss on disposal of investment securities	(287)	(67)	(240)	(63)
Net (gain) / loss on disposal of subsidiaries	(32)	3	(173)	3
Accrued interest from financing activities and results from repurchase of debt securities in issue	20	4	19	3
Valuation adjustment on instruments designated at fair value through profit or loss	(63)	1	(63)	1
Negative goodwill	(3)	(2)	-	-
Other non-cash operating items	10	8	8	8
Net (increase) / decrease in operating assets:	**(1,447)**	**182**	**(775)**	**161**
Mandatory reserve deposits with Central Bank	441	(7)	334	(48)
Due from banks	(952)	(220)	(617)	(9)
Financial assets at fair value through profit or loss	831	420	849	411
Derivative financial instruments assets	(1,022)	(109)	(1,022)	(119)
Loans and advances to customers	71	414	439	289
Other assets	(816)	(316)	(758)	(363)
Net increase / (decrease) in operating liabilities:	**(1,064)**	**3,971**	**(1,894)**	**3,942**
Due to banks	(3,167)	351	(3,363)	470
Due to customers	750	3,671	407	3,498
Derivative financial instruments liabilities	620	191	619	193
Retirement benefit obligations	(41)	(23)	(8)	(22)
Insurance related reserves and liabilities	221	(17)	-	-
Income taxes (paid) / received	(22)	(32)	(6)	(12)
Other liabilities	575	(170)	457	(185)
Net cash from / (for) operating activities	**(1,841)**	**4,638**	**(2,252)**	**4,341**
Cash flows from investing activities				
Acquisition of subsidiaries, net of cash acquired	(55)	(50)	-	-
Participation in share capital increase/(decrease) of subsidiaries	-	-	(151)	(145)
Disposals of subsidiaries, net of cash disposed	(11)	(28)	440	32
(Acquisition) / Disposal of equity method investments	(6)	-	-	-
Dividends received from investment securities & equity method investments	5	3	18	110
Purchase of investment property, property & equipment and intangible assets	(151)	(151)	(131)	(106)
Proceeds from disposal of property & equipment and investment property	1	29	6	3
Purchase of investment securities	(12,014)	(5,804)	(8,721)	(2,783)
Proceeds from redemption and sale of investment securities	11,221	5,170	8,312	2,391
Net cash (used in) / provided by investing activities	**(1,010)**	**(831)**	**(227)**	**(498)**
Cash flows from financing activities				
Proceeds from debt securities in issue and other borrowed funds	717	242	528	114
Repayments of debt securities in issue, other borrowed funds and preferred securities	(119)	(73)	(30)	(12)
Principal elements of lease payments	(38)	-	(41)	-
Proceeds from disposal of treasury shares	24	20	-	-
Repurchase of treasury shares	(25)	(20)	-	-
Dividends paid to non-controlling interests	(15)	(41)	-	-
Net cash from/ (for) financing activities	**544**	**128**	**457**	**102**
Effect of foreign exchange rate changes on cash and cash equivalents	2	2	10	3
Net increase / (decrease) in cash and cash equivalents	**(2,305)**	**3,937**	**(2,012)**	**3,948**
Cash and cash equivalents at beginning of period	6,453	2,516	5,766	1,818
Cash and cash equivalents at end of period	**4,148**	**6,453**	**3,754**	**5,766**

The notes on pages 140 to 258 form an integral part of these annual financial statements

NOTE 1: General information

National Bank of Greece S.A. (hereinafter “NBG” or the “Bank”) was founded in 1841 and its shares have been listed on the Athens Exchange since 1880. The Bank’s headquarters are located at 86 Eolou Street, Athens, Greece, (Register number G.E.MH. 237901000), tel.: (+30) 210 334 1000, www.nbg.gr. By resolution of the Board of Directors, the Bank can establish branches, agencies and correspondence offices in Greece and abroad. In its 179 years of operation, the Bank has expanded on its commercial banking business by entering into related business areas. National Bank of Greece and its subsidiaries (hereinafter the “Group”) provide a wide range of financial services including retail and commercial banking, asset management, brokerage, investment banking, insurance and real estate at a global level. The Group operates in Greece, UK, North Macedonia, Romania, Cyprus, Malta and Egypt.

The Board of Directors consists of the following members:

The Non-Executive Chairman of the Board of Directors
Costas P. Michaelides

The Non-Executive Vice Chair of the Board of Directors
Aikaterini K. Beritsi (1)

The Chief Executive Officer
Pavlos K. Mylonas

Executive Members (2), (3)
Christina T. Theofilidi (4)

Independent Non-Executive Members (5), (6), (7)

Gikas A. Hardouvelis	Senior Independent Director
Andrew J. McIntyre	
Claude Edgar L.G.Piret	
Avraam C. Gounaris	
Wietze J.P. Reehoorn	
Elena Ana E.V. Cernat	

Hellenic Financial Stability Fund representative
Periklis F. Drougkas

(1) On 31 July 2019, Aikaterini K. Beritsi was elected as non-executive member of the Board by the Annual General Meeting of the Bank’s Shareholders and was appointed Vice Chair of the Board of Directors.

(2) At the meeting of the Board of Directors held on 10 July 2019, it was announced that Panos A. Dasmanoglou will no longer serve as executive member of the Board and will remain as General Manager at the Bank and Company Secretary, with the same duties.

(3) On 30 January 2020, at the Board of Directors meeting, the resignation of Dimitrios N. Kapotopoulos from his position as executive member of the Board of Directors was announced.

(4) On 31 July 2019, Christina T. Theofilidi was elected as executive member of the Board of Directors by the Annual General Meeting of the Bank’s Shareholders.

(5) On 10 July 2019 at the Board of Directors meeting, Eva Cederbalk and Haris A. Makkas resigned from their positions as independent non-executive members of the Board of Directors. At the same date Yiannis G. Zographakis resigned from his position as non-executive member of the Board of Directors.

(6) On 31 July 2019, the Annual General Meeting of the Bank’s Shareholders elected Gikas A. Hardouvelis, Avraam C. Gounaris, Wietze J.P. Reehoorn and Elena Ana E.V. Cernat as new independent non-executive members of the Board.

(7) On 29 August 2019, at the Board of Directors meeting, the resignation of John P.J. McCormick from his position as independent non-executive member of the Board of Directors was announced.

The Directors are elected by the Bank’s General Meeting of Shareholders for a maximum term of 3 years and may be re-elected. The term of the above members expires at the Annual General Meeting of the Bank’s Shareholders in 2021.

The annual financial statements are subject to approval by the Bank’s Annual Shareholder’s Meeting.

These annual financial statements have been approved for issue by the Bank’s Board of Directors on 31 March 2020.

NOTE 2: Summary of significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group and the separate financial statements of the Bank as at and for the year ended 31 December 2019 (the "annual financial statements") have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as endorsed by the European Union (the "EU").

The amounts are stated in Euro, rounded to the nearest million (unless otherwise stated) for ease of presentation. Where necessary, comparative figures have been adjusted to conform to changes in current period's presentation.

The financial statements have been prepared under the historical cost convention, except for fair value through other comprehensive income financial assets, financial assets and financial liabilities held at fair value through profit or loss and all derivative contracts, which have been measured at fair value.

The preparation of financial statements in conformity with IFRSs requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenues and expenses during the reporting period. Use of available information and application of judgment are inherent in the formation of estimates in the following areas: impairment of loans-and-receivables, valuation of financial instruments not quoted in active markets, including OTC derivatives and certain debt securities, impairment of investment securities, impairment assessment of intangible assets, assessment of the recoverability of deferred tax assets ("DTA"), estimation of retirement benefits obligation, insurance reserves, liabilities from unaudited tax years and contingencies from litigation. Actual results in the future may differ from those reported.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the annual financial statements are disclosed in Note 3.

2.2 Going concern

Going concern conclusion

The Board of Directors concluded that the Bank is a going concern after considering (a) the current level of ECB funding solely from TLTRO and the current access to the Eurosystem facilities with significant collateral buffer and LCR and NSFR ratios well above 100% (b) the Group's CET1 ratio at 31 December 2019 which exceeded the Overall Capital Requirement ("OCR") requirements and (c) the recent developments regarding the Greek economy and the latest estimates regarding macroeconomic indicators, as discussed below.

Liquidity

As at 31 December 2019, funding from the European Central Bank ("ECB") remained at €2.2 billion (31 December 2018: €2.2 billion). As of 31 December 2019 the Bank had entered into secure interbank transactions with foreign financial institutions of €0.5 billion, while the Bank's liquidity buffer stood at €12.4 billion (cash value).

Capital adequacy

The Group's Common Equity Tier 1 ("CET1") and Total Capital ratios at 31 December 2019 were 16.0% and 16.9%, respectively exceeding the OCR ratios of 13.75% and 14.0% for 2019 and 2020, respectively (see Note 4.7)

Macroeconomic developments

Economic activity in Greece remained on a steady upward trend in 2019, with Gross Domestic Product ("GDP") increasing by 1.9% year-over-year ("y-o-y") in FY:2019, same pace as in FY:2018, against a backdrop of weak economic growth in the euro area. This performance was driven by a positive 0.8-pp contribution from net exports, and by the pick-up in private consumption and gross fixed capital formation (0.8% y-o-y and 4.6% y-o-y, respectively), along with a rise in public consumption of 2.2% y-o-y in 2019.

Economic sentiment remained on an upward trend in December 2019, increasing further to a 19-year high in 2M:2020, on the back of buoyant consumer confidence and has been accompanied by a further strengthening in the services, retail and, more recently, construction confidence.[1] The above trends have been bolstered by supportive labor market conditions (the unemployment rate declined to 16.3% in December 2019, the lowest level since March 2011) and an easing in the fiscal stance since 2019.[2] Fiscal overperformance for 2019 is expected to be confirmed by the official announcement by Eurostat of annual fiscal data on 23 April 2020, when the primary surplus in General Government is estimated to reach 3.8% of GDP – according to the Enhanced Surveillance definition.

The Budget for 2020 envisages the implementation of expansionary measures of 0.6% of GDP (€1.2 billion) in 2020, which had been planned to be exclusively financed by efficiency improvements and supportive cyclical conditions. The budgeted fiscal expansion is

[1] Source: European Commission, Business and consumer survey database
[2] Source: EL.STAT., Labor Force Survey, Monthly Data, December 2019

broadly balanced between corporates (decline in corporate income tax rate to 24% from 28%).[3] However, increasing risks related to the COVID-19 outbreak could possibly weigh on cyclical conditions and pose upward pressure on government spending.

The significant improvement in macroeconomic conditions in Greece, along with an accommodative shift in ECB policy in H2:2019 – which presaged a more protracted-than-previously expected period of monetary easing – led to a further compression in sovereign risk and Greek government bond yields to all-time lows in H2:2019 and early 2020.[4] However, the escalation of the COVID-19 crisis lead to a significant increase in Greek government bond ("GGB") yields of approximately 70 bps for the 10-year GGB between mid-February and early-March 2020.

On that note, the official sector's projections until February 2020 indicated that annual GDP growth in Greece would reach 2.3% y-o-y in 2020 (average of European Commission and IMF forecasts)[5], despite the continuing weakness in the euro area economy. However, the COVID-19 outbreak, and most importantly, the rapid spread of the epidemic globally, is now expected to adversely affect economic activity worldwide, with the Greek economy facing significant challenges in view of the important role of services in economic activity and its relatively shallow production structure (high dependence on imports). The evolution of the disease and its economic impact remains highly uncertain, whereas all estimates are based on information available until early-March 2020. Against this backdrop of ongoing downward revisions of growth forecasts for the global economy and the euro area, in conjunction with Greece's high dependency on inbound tourism, Greek GDP growth is expected to substantially deviate from the official scenario in 2020.

For a list of measures that have been adopted in 2020 in order to provide support to the European banking system and the Greek economy in dealing with COVID-19 please see Note 47 Events after the reporting period.

2.3 Adoption of International Financial Reporting Standards (IFRS)

New standards, amendments and interpretations to existing standards effective for the current financial year

New standards

-IFRS 16 Leases (effective for annual periods beginning on or after 1 January 2019). IFRS 16 supersedes relevant lease guidance including IAS 17 *Leases*, IFRIC 4 *Determining whether an agreement contains a lease*, SIC-15 *Operating Leases – Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal From of a Lease*, and establishes principles for the recognition, measurement, presentation and disclosure of lease agreements, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions.

IFRS 16 introduces a single on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use (RoU) asset, representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The lease liability is initially measured at the present value of the future lease payments, discounted using the rate implicit in the lease or, if this rate cannot be readily determined, the lessee's incremental borrowing rate (IBR). The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The RoU asset is initially measured at the amount of the lease liability plus any additional direct costs by the lesee. Adjustments may also be required for lease incentives, payments at or prior to commencement and restoration obligation or similar.

Subsequently, the RoU asset is amortised over the length of the lease, and the lease liability is measured at amortised cost. The operating lease expense for the leases accounted for under IAS 17 is replaced by a depreciation charge for the RoU asset and an interest expense from the unwinding of the discount on the lease liability. The change in presentation of operating lease expenses results in an improvement in cash flows from operating activities and a corresponding decline in cash flows from financing activities.

Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases, using the same classification criteria provided by IAS 17.

Leases in which the Group is a Lessor

There was no significant impact for the Group's finance leases or for the leases in which the Group is a lessor.

Leases in which the Group is a Lessee

The Group applied the modified retrospective approach, where the RoU asset is set equal to the amount of the lease liability upon adoption, and did not restate the comparative information. The Group applied the practical expedient to grandfather the lease definition on transition to IFRS 16 and not reassess whether a contract is or contains a lease. Therefore, at the transition date (i.e. 1 January 2019), the Group applied IFRS 16 solely to contracts that were previously identified as leases based on IAS 17 and IFRIC 4.

The Group has elected to take a recognition exemption for short-term leases and leases of low-value items, for which lease payments are recognized as operating expenses on a straight-line basis over the lease term.

[3] Source: EL.STAT., Press Release, Fiscal data for the years 2015-2018, 2nd Notification, October 2019 & Ministry of Finance, Budget 2020, November 2019
[4] Source: Bloomberg
[5] Source: European Commission, Winter (Interim) Forecasts, February 2020 & IMF, World Economic Outlook, October 2019

As at 31 December 2018, the Group and the Bank had non-cancellable operating lease commitments of €196 million and €1,573 million respectively. Since most of these arrangements relate to leases other than short-term leases and leases of low-value assets, IFRS 16 increased the assets, liabilities and retained earnings of the Group by €136 million, €132 million and €4 million respectively, and the Bank by €1,142 million, €1,138 million and €4 million respectively, as at 1 January 2019. Refer to Note 48 for more details on the impact of the first time adoption of IFRS 16 as at 1 January 2019.

The Group and the Bank's RoU assets and lease liabilities are included in line items 'Property and equipment' and 'Other liabilities', respectively.

Amendments and interpretations

The Group has adopted the following amendments and interpretations which did not have a material impact on the Group's consolidated or separate financial statements.

-Interest Rate Benchmark Reform Amendments to IFRS 9, IAS 39 and IFRS 7- On 26 September 2019 the International Accounting Standards Board (IASB) published 'Interest Rate Benchmark Reform, Amendments to IFRS 9, IAS 39 and IFRS 7' (the "amendments"). This concludes phase one of the IASB's work to respond to the effects of Interbank Offered Rates (IBOR) reform on financial reporting. The amendments provide temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark with an alternative nearly risk-free interest rate (an "RFR"). These amendments were endorsed by the European Commission on 15 January 2020 and apply from 1 January 2020 with early adoption permitted. The Group has early adopted the amendments that apply to IAS 39 for the period ended 31 December 2019, for its existing hedge accounting relationships.

The Group has documented hedging relationships in regard of benchmark rates in the scope of the reform, mainly the Eonia, Euribor, and Libor rates. For these hedging relationships, hedged items and hedging derivatives will progressively be amended to incorporate the new benchmark rates. The Group considers that the amendments to IAS 39 and IFRS 7 are applicable when the contractual terms of the hedged instruments or of the hedging instruments have not yet been amended, or, if they were amended, if the terms and date of the transition to the new benchmark rates have not been clearly specified.

The notional amount of the hedging instruments involved in the hedging relationships impacted by the interest rate benchmark reform is the sum of notional amounts of hedging instruments disclosed in Note 20.

-Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendment to IFRS 4). The amendments introduce two approaches. The amended standard will: a) give all companies that issue insurance contracts the option to recognise in other comprehensive income, rather than profit or loss, the volatility that could arise when IFRS 9 is applied before the new insurance contracts standard is issued (i.e. the difference between the amounts that would be recognised in profit or loss in accordance with IFRS 9 and the amounts recognised in profit or loss in accordance with IAS 39) – "overlay approach" and b) give companies whose activities are predominantly connected with insurance an optional temporary exemption from applying IFRS 9 until 2021 – deferral approach. The entities that defer the application of IFRS 9 will continue to apply IAS 39. In June 2019 the IASB issued an Exposure Draft which proposes targeted amendments to IFRS 17 Insurance Contracts (IFRS 17) including, amongst other matters, a deferral of the effective date by one year (1 January 2022). This would mean that qualifying insurers could apply both standards for the first time in reporting periods beginning on or after 1 January 2022.

The Group has elected to defer the provisions of IFRS 9 for its insurance subsidiary, Ethniki Hellenic General Insurance SA ("NIC"), as allowed by Commission Regulation (EU) 2017/1988 to the adoption date of IFRS 17. As of 31 December 2019, NIC was classified as a discontinued operation and shall continue applying the requirements of IAS 39.

-IFRIC 23 Uncertainty over Income Tax Treatments. The interpretation explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment under IAS 12 "Income Taxes". IFRIC 23 applies to all aspects of income tax accounting where there is such uncertainty, including taxable profit or loss, the tax bases of assets and liabilities, unused tax losses and unused tax credits and tax rates.

-IAS 19 (Amendments) Plan Amendment, Curtailment or Settlement. The amendments specify how companies determine pension expenses when changes to a defined benefit pension plan occur.

-Annual Improvements to IFRS Standards 2015–2017 Cycle. The amendments set out below include changes to four IFRSs.

IFRS 3 Business Combinations – the amendments clarify that a company remeasures its previously held interest in a joint operation when it obtains control of the business.

IFRS 11 Joint Arrangements – the amendments clarify that a company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.

IAS 12 Income Taxes – the amendments clarify that a company accounts for all income tax consequences of dividend payments in the same way.

IAS 23 Borrowing Costs –the amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalization rate on general borrowings.

-IFRS 9 (Amendments) Prepayment Features with Negative Compensation. The amendments to the existing requirements in IFRS 9 regarding termination rights allow companies to measure particular prepayable financial assets with so-called negative compensation at amortised cost or depending on the business model at fair value through other comprehensive income if a specified condition is met instead of at fair value through profit or loss.

-IAS 28 (Amendments) Long-Term Interests in Associates and Joint Ventures. The amendments clarify that companies account for long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied, using IFRS 9.

New standards, amendments and interpretations to existing standards effective for subsequent periods

New standards

-**IFRS 17 Insurance Contracts** (effective for annual periods beginning on or after 1 January 2021, as issued by the IASB). IFRS 17 has been issued in May 2017 and supersedes IFRS 4. In June 2019, the IASB issued an Exposure Draft which proposes targeted amendments to IFRS 17 including, amongst other matters, a deferral of the effective date by one year (1 January 2022). IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of this standard and its objective is to ensure that an entity provides relevant information that faithfully represents those contracts. The new standard solves the comparison problems created by IFRS 4 by requiring all insurance contracts to be accounted for in a consistent manner. Insurance obligations will be accounted for using current values instead of historical cost. The standard has not yet been endorsed by the EU. The Group is in the process of implementing IFRS 17 and is currently assessing the impact of adopting this Standard and the proposed amendments.

Amendments and interpretations

-Definition of a Business - Amendments to IFRS 3, (effective for annual periods beginning on 1 January 2020), not yet endorsed for use in the EU. The IASB issued amendments to the definition of a business in IFRS 3 *Business Combinations* to help entities determine whether an acquired set of activities and assets is a business or not. They clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements or processes and continuing to produce outputs, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test. The amendments must be applied to transactions that are either business combinations or asset acquisitions for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2020. Consequently, entities do not have to revisit such transactions that occurred in prior periods. The amendments have not yet been endorsed by the EU. The amendments are not expected to have a material effect on the Group's consolidated or separate financial statements.

-Definition of Material - Amendments to IAS 1 and IAS 8 (effective for annual periods beginning on 1 January 2020). In October 2018, the IASB issued amendments to IAS 1 *Presentation of Financial Statements* and IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* 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 clarify that materiality will depend on the nature or magnitude of information, or both. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements. The amendments did not have a material impact on the Group's consolidated or separate financial statements.

-Conceptual Framework. In March 2018, the IASB issued a revised version of its Conceptual Framework for Financial Reporting (the "Framework"), which becomes effective in annual periods beginning on 1 January 2020. The Framework sets out the fundamental concepts of financial reporting that guide the IASB in developing IFRS Standards. The Framework underpins existing IFRS Standards but does not override them. Preparers of financial statements use the Framework as a point of reference to develop accounting policies in rare instances where a particular business transaction is not covered by existing IFRS Standards. The IASB and the IFRS Interpretations Committee will begin to use the new Framework immediately in developing new, or amending existing, financial reporting standards and interpretations. The amendments did not have a material impact on the Group's consolidated or separate financial statements.

2.4 Consolidation

2.4.1 Basis of consolidation

The consolidated financial statements incorporate the separate financial statements of the Bank and its subsidiaries (including structured entities), which are entities controlled by the Bank. Control is achieved, if and only if, the Bank has a) power over the subsidiaries b) exposure, or rights to variable returns from its involvement with the subsidiaries and c) the ability to use its power over the subsidiaries to affect the amount of the Bank's returns.

Income and expenses and other comprehensive income of subsidiaries acquired or disposed of during the year are included in the consolidated income statement and in the consolidated statement of comprehensive income, respectively, from the effective date of acquisition and up to the effective date of disposal, as appropriate. Profit/(loss) for the period and total comprehensive income/(expense) of subsidiaries is attributed to the owners of the Bank and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those of the Group.

All intra-group transactions, balances, income and expenses are eliminated upon consolidation.

2.4.2 Non-controlling interests

Non-controlling interests may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income/(expense) is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

2.4.3 Changes in the Group's ownership interests in subsidiaries that do not result in loss of control

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Bank.

2.4.4 Loss of control

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. For assets of the subsidiary carried at fair value with the related cumulative gain or loss recognised in other comprehensive income, the amounts previously recognised in other comprehensive income are accounted for as if the Bank had directly disposed of the relevant assets (i.e. reclassified to the income statement or transferred directly to retained earnings as specified by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 *Financial Instruments* or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

2.4.5 Contribution of assets to subsidiary in exchange for shares of the subsidiary

When the Bank transfers property and equipment, intangible assets or investment property to an existing or new subsidiary in exchange for shares in the subsidiary, the Bank recognises in the individual financial statements the carrying value of the transferred asset as investment in subsidiaries. Such transactions do not affect the consolidated financial statements.

2.4.6 Associates

Associates are entities over which the Group has significant influence, but which it does not control. If the Group holds, directly or indirectly, 20% or more of the voting power of the investee, it is presumed that the Group has significant influence, unless it can be clearly demonstrated that this is not the case. Investments in associates are accounted for by applying the equity method of accounting. Under the equity method of accounting, the investment is initially recorded at cost. Goodwill arising on the acquisition of an associate is included in the carrying amount of the investment (net of any accumulated impairment loss). The carrying amount of the investment is increased or decreased by the proportionate share of the associate’s post-acquisition profits or losses (recognised in the Group income statement) and movements in reserves (recognised in reserves). Dividends received from the associate during the year reduce the carrying value of the investment. Investments in associates for which significant influence is intended to be temporary because such investments are acquired and held exclusively with a view to their subsequent disposal within twelve months from their acquisition, are recorded as assets held for sale. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group’s interest in the associate. Unrealised losses are also eliminated but considered as an impairment indicator of the asset transferred. Where necessary, the associate’s financial statements used in applying the equity method are adjusted to ensure consistency with the accounting policies adopted by the Group.

2.4.7 Joint arrangements

A joint arrangement is an arrangement of which two or more parties have joint control. A joint arrangement has the following characteristics:

(a) The parties are bound by a contractual arrangement and

(b) The contractual arrangement gives two or more of those parties joint control of the arrangement.

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is either a joint operation or a joint venture.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Those parties are called joint operators. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Those parties are called joint venturers.

The Group determines the type of joint arrangement in which it is involved and classifies the joint arrangement as a joint operation or a joint venture depending upon the rights and obligations of the parties to the arrangement.

In case of a joint operator the Group recognizes:

a) its assets, including its share of any assets held jointly, b) its liabilities, including its share of any liabilities incurred jointly, c) its revenue from the sale of its share of the output arising from the joint operation d) its share of the revenue from the sale of the output by the joint operation and e) its expenses, including its share of any expenses incurred jointly.

When the Group acquires an interest in a joint operation in which the activity of the joint operation constitutes a business, as defined in IFRS 3 *Business combinations*, it applies, to the extent of its share in accordance with previous paragraph, all of the principles on business combinations accounting in IFRS 3, and other IFRSs, that do not conflict with the guidance in IFRS 11 *Joint arrangements*. This applies to the acquisition of both the initial interest and additional interests in a joint operation in which the activity of the joint operation constitutes a business.

In case of a joint venture the Group recognizes its interest in a joint venture as an investment and accounts for that investment using the equity method. (see 2.4.6 Associates above).

2.4.8 Investments in subsidiaries, associates and joint ventures in individual financial statements

In the Bank's separate financial statements subsidiaries, associates and joint ventures are measured at cost less impairment.

2.4.9 Impairment assessment of investments in subsidiaries, associates and joint ventures in individual financial statements

At each reporting date, the Group and the Bank assesses whether there is any indication that an investment in a subsidiary, associate or joint venture may be impaired. If any such indication exists, the Group estimates the recoverable amount of the investment. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

2.5 Business combinations

2.5.1 Acquisition method

Acquisitions of businesses within the scope of IFRS 3 are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in the income statement as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

(a) deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;

(b) liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 Share-based Payment at the acquisition date (see Share based payment transactions); and

(c) assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

2.5.2 Goodwill

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in the income statement.

2.5.3 Contingent consideration

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration that is either a financial instrument within the scope of IFRS 9 or a non-financial asset or liability, is remeasured, at fair value at each subsequent reporting date and the changes in fair value are recognised in the income statement.

2.5.4 Business combination achieved in stages

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in the income statement. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to the income statement where such treatment would be appropriate if that interest were disposed of.

2.5.5 Provisional accounting

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see Contingent consideration), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

2.6 Foreign currency translations

Items included in the financial statements of each entity of the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity (“the functional currency”). The consolidated financial statements of the Group are presented in millions of Euro (€), which is the functional currency of the Bank.

Foreign currency transactions are translated into the functional currency at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in other comprehensive income as gains or losses from qualifying cash flow or net investment hedging instruments. Translation differences on debt securities and other monetary financial assets re-measured at fair value are included in “Net trading income and results from investment securities”. Translation differences on non-monetary financial assets are a component of the change in their fair value and are recognised in the income statement for equity securities held for trading, or in other comprehensive income for equity securities measured at fair value through other comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency shall be translated using the exchange rate at the date of the transaction.

When preparing the financial statements, assets and liabilities of foreign entities are translated at the exchange rates prevailing at the reporting date, while income and expense items are translated at average rates for the period. Differences resulting from the use of closing and average exchange rates and from revaluing a foreign entity’s opening net asset balance at closing rate are recognised directly in foreign currency translation reserve within other comprehensive income.

When a monetary item forms part of a reporting entity’s net investment in a foreign operation and is denominated in a currency other than the functional currency of either the reporting entity or the foreign operation, the exchange differences that arise in the individual financial statements of both companies are reclassified to other comprehensive income upon consolidation. When a foreign entity is sold, such translation differences are recognised in the income statement as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2.7 Classification and Measurement of financial instruments

2.7.1 Classification of financial assets

The Group uses the following measurement categories for financial assets:

- Debt instruments at amortised cost.
- Debt instruments at fair value through other comprehensive income (FVTOCI) with cumulative gains and losses reclassified to profit and loss on derecognition.
- Equity instruments designated as measured at FVTOCI with gains and losses remaining in other comprehensive income (OCI) without recycling to profit or loss on derecognition.
- Debt instruments, derivatives, equity instruments and mutual funds at fair value through profit or loss (FVTPL).

Except for debt instruments that are designated at initial recognition as at FVTPL, such assets are classified at amortised cost or FVTOCI on the basis of:

(a) The Group’s business model for managing the financial asset and

(b) the contractual cash flow characteristics of the financial asset.

IFRS 9 precludes the separation of any embedded derivatives from a hybrid contract when the host contract is a financial asset within its scope. Instead, the entire hybrid financial asset is classified into one of the categories listed above. The Group continues to recognise financial assets on a trade basis.

2.7.2 Business model assessment

The business models reflect how the Group manages its debt financial assets in order to generate cash flows. This assessment is performed on the basis of scenarios that the Group reasonably expects to occur. The assessment is based on all relevant and objective information that is available at the time of the business model assessment. The Group has identified the following business models for debt financial assets:

- **Held to collect contractual cash flows:** The Group's objective is to hold the financial assets and collect the contractual cash flows. All the assets in this business model give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Debt instruments classified in this business model are measured at amortised cost. Loans within this category may be sold to manage the concentration of the Group's credit risk to a particular obligor, country or industrial sector, without an increase in the asset's credit risk. Such sales are consistent with the business model's objective if they are infrequent (even if significant in value) or insignificant in value both individually and in the aggregate (even if frequent).
- **Held to collect contractual cash flows and sell:** The objective of this business model is to meet everyday liquidity needs and such objective is achieved by both collecting contractual cash flows and selling debt instruments. Assets within this business model are not sold with the intention of short-term profit taking, however frequent sales may occur and such sales may be significant in value. All the assets in this business model give rise to cash flows that are SPPI. The debt instruments in this business model are accounted for at FVTOCI.
- **Held for trading:** Under this business model, the Group actively manages the instruments in order to realise fair value gains arising from changes in credit spreads and yield curves. The assets in this business model are accounted for at FVTPL.
- **Held and managed on a fair value basis:** Refers to assets that are managed by the Group on a fair value basis without the intention to sell them in the near future. The assets in this business model are accounted for at FVTPL.

2.7.3 Contractual cash flow characteristics

The Group assesses the characteristics of its financial assets' contractual cash flows at initial recognition in order to determine whether they are SPPI. This is referred to as the "SPPI test". Interest amount within a basic lending arrangement, is typically the consideration for the time value of money and the credit risk. Interest may also include consideration for other basic lending risks such as liquidity and costs (e.g. administration associated with holding the financial asset for a particular period of time), as well as a profit margin. Interest may also be negative if the Group decides to effectively pay a fee for the safekeeping of its money for a particular period of time. The Group considers that an originated or a purchased financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form and irrespective if it was purchased at a deep discount.

2.7.4 Non-recourse loans

When a financial instrument's contractual cash flows are specifically derived from specified assets of the borrower, the Group assesses whether the cash flows arising from the debt instrument are SPPI. In order to conclude whether the loan represents a basic lending agreement and its return does not vary based on the performance of the underlying asset or project, the Group assesses whether there is an adequate buffer to absorb credit losses.

2.7.5 Equity instruments designated at FVTOCI

The Group may acquire an investment in an equity instrument that is not held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 applies. At initial recognition, the Group may make an irrevocable election to present in OCI subsequent changes to the fair value of the investment, except for equity securities that give an investor significant influence over an investee, which are accounted for in accordance with IAS 28 *Investments in Associates and Joint Ventures*.

The election to designate an investment in an equity instrument at FVTOCI is made on an instrument-by-instrument basis. Investments in mutual funds cannot be designated at FVTOCI, as they do not meet the definition of an equity instrument under IAS 32, hence are mandatorily measured at FVTPL.

2.7.6 Measurement of financial assets

2.7.6.1 Financial assets measured at amortised cost

A debt financial asset is measured at amortised cost if it is held in a business model that has an objective to hold financial assets to collect contractual cash flows and the contractual terms of the financial asset result in cash flows that pass the SPPI test.

The financial assets classified within this category, mainly include the following asset classes:

- Cash and balances with central banks
- Sight and time deposits with banks
- Securities purchased under agreements to resell
- Deposits in margin accounts
- Other receivables due from banks
- Loans and advances to customers
- Debt securities

- Other receivables included in line item “other assets”

Subsequent to initial recognition, the debt financial asset is measured at amortised cost using the effective interest rate (“EIR”) method for the allocation and recognition of interest revenue in line item “interest and similar income” of the income statement over the relevant period. The amortised cost is the amount at which the financial asset is measured at initial recognition minus any principal repayments, plus or minus the cumulative amortisation using the EIR method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount is the amortised cost of a financial asset before adjusting for any loss allowance. Interest income on debt financial assets is calculated on the gross carrying amount if the asset is classified in stage 1 or 2. When a debt financial asset becomes credit-impaired (classified in stage 3), interest income is calculated on the amortised cost (i.e. the gross carrying amount adjusted for the impairment allowance).

The EIR is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to the asset’s gross carrying amount. When calculating the EIR, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (e.g. prepayment, extension, call and similar options). The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the EIR, transaction costs, and all other premiums or discounts. Fees that are an integral part of the EIR of a financial instrument are treated as an adjustment to the EIR.

Except for purchased or originated financial assets that are credit-impaired (“POCI”) on initial recognition, expected credit losses (“ECL”) are not considered in the calculation of the EIR. For a POCI financial asset, the credit-adjusted EIR is applied when calculating the interest revenue and it is the rate that exactly discounts the estimated future cash flows through the expected life of the financial asset to the asset’s amortised cost. The Group includes the initial ECL in the estimated cash flows when calculating the credit-adjusted EIR for such assets.

2.7.6.2 Debt instruments measured at FVTOCI

A debt financial asset is measured at FVTOCI if it is held in a business model that has an objective to hold financial assets to collect contractual cash flows and sell the assets and the contractual terms of the financial asset result in cash flows that pass the SPPI test.

After initial recognition, investments in debt financial assets are measured at fair value in the statement of financial position (with no deduction for sale or disposal costs) with unrealised gains and losses reported in OCI, net of applicable income taxes, until such investments are derecognised (i.e. when sold or collected). Upon derecognition, the cumulative gains or losses previously recognised in OCI are reclassified from equity to “net trading income/(loss) and results from investment securities” of the income statement, as a reclassification adjustment.

For debt financial assets measured at amortised cost or FVTOCI, the following items are recognised in the income statement:

- ECL allowance recognised in “credit provisions and other impairment charges”.
- Foreign exchange gains and losses, calculated based on the amortised cost of the instrument, are recognised in “net trading income/(loss) and results from investment securities”.
- Interest revenue calculated with the EIR method is recognised in “interest and similar income”.
- Modification gains or losses, recognised in “credit provisions and other impairment charges”.

2.7.6.3 Equity instruments designated at FVTOCI

After initial recognition, investments in equity instruments designated at FVTOCI are measured at fair value, with no deduction for sale or disposal costs. With the exception of dividends received, the associated gains and losses (including any related foreign exchange component) is recognised in OCI. Amounts presented in OCI are not subsequently recycled to the income statement, instead the cumulative gain or loss is transferred within equity from accumulated OCI to retained earnings.

Dividends are recognised in “net other income/(expense)” line item of the income statement when all of the following criteria are met:

- the Group’s right to receive payment of the dividend is established
- it is probable that the economic benefits associated with the dividend will flow to the Group
- the amount of the dividend can be measured reliably
- the dividend clearly does not represent a recovery of part of the cost of the investment.

2.7.6.4 Financial assets and financial liabilities measured at FVTPL

After initial recognition, financial assets and financial liabilities that are classified as at FVTPL are measured at fair value, with no deduction for sale or disposal costs. Gains and losses arising from fair value remeasurement are recognised in their entirety in “net trading income/(loss) and results from investment securities”. All changes to the fair value of a FVTPL liability due to market risk are recorded in profit and loss while changes due to the Group’s own credit risk are recorded in OCI. The amount presented in OCI is not subsequently transferred to profit or loss even when the liability is derecognised and the amounts are realised. The cumulative gain or loss is transferred within equity from accumulated OCI to retained earnings.

2.7.6.5 Financial assets with legal form of debt

Unrealised gains and losses from changes in the fair value of assets measured at FVTPL are included in “net trading income and results from investment securities”. Interest revenue is calculated with the EIR method on financial assets with legal form of debt measured at FVTPL and recognised in “interest and similar income”. Financial assets which are loan contracts in their legal form and their contractual cash flows are not SPPI, are mandatorily measured at FVTPL, and classified within "loans and advances to customers". Debt securities that fail the SPPI test are mandatorily measured at FVTPL and classified within "financial assets at FVTPL".

2.7.6.6 Reclassification of financial assets

The Group reclassifies all affected financial assets only when the Group changes its business model for managing financial assets. The reclassification is applied prospectively from the reclassification date, which is the first day of the first quarterly reporting period following the change in the business model.

Changes in the Group's business models are usually the result of external or internal changes, affecting significantly the Group's operations.

Investments in equity instruments that are designated as at FVTOCI, or any financial assets or liabilities that are designated at FVTPL, cannot be reclassified because the election to designate them as at FVTOCI or FVTPL respectively, at initial recognition, is irrevocable.

2.7.7 Impairment - Expected Credit Losses

ECL are recognised for all financial assets measured at amortised cost, debt financial assets measured at FVTOCI, lease receivables, financial guarantees and certain loan commitments. ECL represent the difference between contractual cash flows and those that the Group expects to receive, discounted at the EIR. For loan commitments and other credit facilities in scope of ECL, the expected cash shortfalls are determined by considering expected future draw downs.

2.7.7.1 Recognition of expected credit losses

At initial recognition, an impairment allowance is required for ECL resulting from default events that are possible within the next 12 months (12-month ECL), weighted by the risk of a default occurring. Instruments in this category are referred to as instruments in Stage 1. For instruments with a remaining maturity of less than 12 months, ECL are determined for this shorter period.

In the event of a significant increase in credit risk ("SICR"), an ECL allowance is required, reflecting lifetime cash shortfalls that would result from all possible default events over the expected life of the financial instrument ("lifetime ECL"), weighted by the risk of a default occurring. Instruments in this category are referred to as instruments in Stage 2.

Lifetime ECL are always recognised on financial assets for which there is objective evidence of impairment, that is they are considered to be in default or otherwise credit-impaired. Such instruments are referred to as instruments in Stage 3.

POCIs are classified as credit impaired. An instrument is POCI if it has been purchased with a material discount to its par value that reflects the incurred credit losses or is originated with a defaulted counterparty.

For POCI financial assets, the Group recognises adverse changes in lifetime ECL since initial recognition as a loss allowance with any changes recognised in the income statement. POCI are initially recognised at fair value with interest income subsequently being recognised based on a credit-adjusted EIR. POCI may also include financial instruments that are newly recognised following a substantial modification and remain a separate category until maturity. Any favourable changes for POCI assets are impairment gain even if the resulting expected cash flows exceed the estimated cash flows on initial recognition.

The Group does not apply the practical expedient that allows a lifetime ECL for lease receivables to be recognised irrespective of whether a SICR has occurred. Instead, all such receivables are incorporated into the standard ECL calculation.

ECL are recognised in the income statement with a corresponding ECL allowance reported as a decrease in the carrying value of financial assets measured at amortised cost on the statement of financial position. For financial assets measured at FVTOCI, the carrying value is not reduced, but the ECL allowance is recognised in OCI. For off-balance sheet financial instruments, the ECL allowance is reported as a provision in "other liabilities". ECL are recognised within the income statement in "credit provisions and other impairment charges".

2.7.7.2 Write-off

A write-off is made when the Group does not have a reasonable expectation to recover all or part of a financial asset. Write-offs reduce the principal amount of a claim and are charged against previously established allowances for credit losses. Recoveries, in part or in full, of amounts previously written off are generally credited to "credit provisions and other impairment charges". Write-offs and partial write-offs represent derecognition or partial derecognition events.

2.7.7.3 Definition of default

The Group has aligned the definition of default for financial reporting purposes, with the non performing exposures (NPE) definition used for regulatory purposes, as per EBA Implementing Technical Standards on Supervisory reporting on forbearance and non-performing exposures, as adopted by the Commission Implementing Regulation (EU) 2015/227 of 9 January 2015 amending Implementing Regulation (EU) No 680/2014 laying down implementing technical standards with regard to supervisory reporting of institutions according to Regulation (EU) No 575/2013 of the European Parliament and of the Council ("EBA ITS"). The definition of default for financial reporting purposes is consistent with the one used for internal credit risk management purposes.

A debt security is considered as credit impaired, and is classified into Stage 3, when at least one payment of capital or interest is overdue by the issuer, based on the contractual terms of the instrument, irrespective of the days past due. In addition, a debt security is assessed as credit impaired if there is at least one external credit rating on the security or the issuer corresponding to Default or Selective Default.

2.7.7.4 Measurement of expected credit losses

The Group assesses on a forward-looking basis the ECL associated with all financial assets subject to impairment under IFRS 9. The Group recognises an ECL allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes. The Group uses three macroeconomic scenarios and estimates the ECL that would arise under each scenario. A weighting is allocated to each scenario, such that the weighted probabilities of all three scenarios are equal to one. The distribution of possible ECL may be non-linear, hence three distinct calculations are performed, where the associated ECLs are multiplied by the weighting allocated to the respective scenario. The sum of the three weighted ECL calculations represents the probability-weighted ECL.
- The time value of money.
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

For the purposes of measuring ECL, the estimate of expected cash shortfalls reflects the cash proceeds expected from collateral liquidation (if any) and other credit enhancements that are part of the contractual terms and are not recognised separately by the Group. The estimate of expected cash shortfalls on a collateralized loan exposure reflects the assumptions used regarding the amount and timing of cash flows that are expected from foreclosure on the collateral less the costs of obtaining and selling the collateral, irrespective of whether the foreclosure is probable.

The ECL calculations are based on the following factors:

- **Exposure at Default ("EAD"):** This is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, and expected drawdowns on committed facilities.
- **Credit Conversion Factor ("CCF"):** The CCF converts the amount of a credit line and other off-balance sheet amounts to an EAD amount.
- **Probability of Default ("PD"):** Represents the likelihood of a borrower/issuer defaulting on its financial obligation, assessed on the prevailing economic conditions at the reporting date, adjusted to take into account estimates of future economic conditions that are likely to impact the risk of default either over the next 12 months for Stage 1 financial assets, or over the remaining lifetime, for Stage 2 financial assets.
- **Loss given default ("LGD"):** Represents the Group's expectation of the extent of loss on a defaulted exposure. The LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. The determination of LGD takes into account expected future cash flows from collateral and other credit enhancements, or expected payouts from bankruptcy proceedings for unsecured claims and, where applicable, time to realization of collateral and the seniority of claims. LGD is expressed as a percentage loss per unit of EAD.
- **Discount Rate:** The implied discount factor based on the original EIR of the financial asset or an approximation thereof.

The PD and LGD are determined for three different scenarios whereas EAD projections are treated as scenario independent.

The ECL is determined by projecting the PD, LGD and EAD for each time step between future cash flow dates and for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival, if appropriate. This effectively calculates an ECL for each future period, which is then discounted back to the reporting date and summed.

The Group recognises an ECL allowance on irrevocable commitments to extend credit, financial guarantee contracts and letters of credit, on the date that the Group becomes a party to the irrevocable commitment. No ECL allowance is recognised on revocable loan commitments, as such commitments do not meet the definition of a financial instrument. For revolving lending exposures (i.e. facilities that include both a loan and a revocable undrawn commitment component), the EAD represents the expected balance at default, taking into account any expected drawdowns, based on the Group's historical experience. The ECL allowance on financial guarantees and letters of credit written by the Group, is based on the CCF applicable to the relevant financial instrument type.

2.7.7.5 Forward looking economic inputs

Forward looking information (FLI) is incorporated in the ECL measurement of collectively assessed loans and debt securities through the PD and LGD models. The expected recoveries (cash flow recoveries or liquidation of collateral) used in the ECL calculation of corporate lending exposures individually assessed, takes into account FLI based on the Bank's forecasts of the relevant macroeconomic factors.

The Group applies three scenarios, i.e. baseline, optimistic, pessimistic, developed by the Bank's Economic Research and Analysis Division. The macroeconomic scenarios used for measuring ECL are the same with the ones used for evaluating SICR.

The main macroeconomic variables utilized by the Group, affecting the level of ECL are the following:

- GDP growth rate
- Real estate prices

2.7.7.6 Significant increase of credit risk

A financial asset is considered as non-credit impaired, when the definition for Stage 3 classification is not met. The exposure is classified as Stage 2 if it has suffered a SICR, otherwise it is classified as Stage 1.

At each reporting date, the Group performs the SICR assessment comparing the risk of a default occurring over the remaining expected lifetime of the exposure with the expected risk of a default as estimated at origination.

The Group's process to assess SICR has three main components:

- a quantitative element, i.e. reflecting a quantitative comparison of PD or credit rating at the reporting date versus the respective metric at initial recognition (see below);
- a qualitative element, i.e. all Forborne Performing Exposures (FPE), in accordance with EBA ITS, internal watch list for corporate obligors; and
- "backstop" indicators. The Group applies on all lending exposures the IFRS 9 presumption that a SICR has occurred when the financial asset is more than 30 days past due.

The first two criteria are analysed below per type of exposure:

a. Corporate lending exposures

The Group assesses SICR based on changes in the obligor's internal credit rating since origination.

b. Retail lending exposures

Stage allocation is performed by the comparison of scenario weighted lifetime PDs from the risk assessment performed at origination versus the lifetime PDs at each reporting date, for the financial asset's residual term. Lifetime PD at origination decreases over time, as the loan gets closer to its maturity.

c. Debt securities and other financial assets

All debt securities and financial assets due from sovereigns and financial institutions are assessed on an individual basis in order to determine if a SICR has occurred since initial recognition, based on external credit ratings. If an external credit rating is available for a debt security, then SICR is assessed based on this rating, rather than the issuer's rating, in order to incorporate in the analysis any instrument-specific credit characteristics. All other financial assets due from sovereigns and financial institutions, such as money market placements, reverse repurchase agreements and unrated debt securities, are assessed for SICR based on the counterparty's or issuer's external credit rating. Any of the aforementioned financial assets rated as 'investment grade' at the reporting date, are assumed as having low credit risk and are classified within Stage 1 without any further SICR analysis. The Group applies the low credit risk exception solely on debt securities and financial assets due from sovereigns and financial institutions.

d. Transfer of financial assets from Stage 2 to Stage 1

Lending exposures, debt securities and financial assets due from sovereigns and financial institutions move back to Stage 1 when the SICR criteria are no longer met.

2.8 Derivative financial instruments and hedging

2.8.1 Derivative financial instruments

Derivative financial instruments including foreign exchange contracts, forward rate agreements, currency and interest rate swaps, interest rate futures, currency and interest rate options (both written and purchased) and other derivative financial instruments are initially recognised in the Statement of Financial Position at fair value and subsequently are re-measured at their fair value. Derivatives are presented in assets when favourable to the Group and in liabilities when unfavourable to the Group. Where the Group enters into derivative instruments used for trading purposes, realised and unrealised gains and losses are recognised in the income statement in "Net trading income / (loss) and results from investment securities".

A derivative may be embedded in another financial instrument, known as "host contract". IFRS 9 precludes the separation of any embedded derivatives from a hybrid contract when the host contract is a financial asset within its scope. Instead, the hybrid financial asset is measured at fair value in its entirety.

2.8.2 Continuation of IAS 39 hedge accounting requirements

IFRS 9 includes an accounting policy choice to continue IAS 39 hedge accounting, which the Group has exercised, and will comply with the revised annual hedge accounting disclosures as required by the related amendments to IFRS 7 *Financial Instruments: Disclosures*. Refer to Note 20.

2.8.3 Hedge accounting

Certain derivative instruments transacted as effective economic hedges under the Group's risk management positions, do not qualify for hedge accounting under the specific rules of IAS 39 and are therefore treated in the same way as derivative instruments held for trading purposes.

The Group also uses derivative instruments as part of its asset and liability management activities to manage exposures to interest rate, foreign currency and credit risks, including exposures arising from forecast transactions. The Group applies fair value, cash flow or net investment hedge accounting when transactions meet the specified criteria to obtain hedge accounting treatment. The Group's criteria for a derivative instrument to be accounted for as a hedge include:

i. at inception of the hedge, there is formal designation and documentation of the hedging instrument, hedged item, hedging objective, strategy and relationship;

ii. the hedge is documented showing that it is expected to be highly effective in offsetting the risk in the hedged item throughout the hedging period. A hedge is considered to be highly effective when the Group achieves offsetting changes in fair value between 80 percent and 125 percent for the risk being hedged; and

iii. the hedge is highly effective on an ongoing basis.

2.8.4 Fair value hedges

For qualifying fair value hedges, the change in fair value of the hedging derivative is recognised in the income statement along with the corresponding change in the fair value of the hedged item that is attributable to that specific hedged risk. If the hedge relationship no longer meets the criteria for hedge accounting, for reasons other than the derecognition of the hedged item, or the hedging designation is revoked, the cumulative adjustment to the carrying amount of the hedged item, is, in the case of interest bearing financial instruments, amortised to the income statement over the remaining term of the original hedge item, while for non-interest bearing instruments that amount is immediately recognised in the income statement. If the hedged item has been derecognised, e.g. sold or repaid, the unamortized fair value adjustment is recognised immediately in the income statement.

2.8.5 Cash flow hedges

Fair value gains or losses associated with the effective portion of a derivative designated as a cash flow hedge are recognised initially in other comprehensive income. When the cash flows that the derivative is hedging (including cash flows from transactions that were only forecast when the derivative hedge was effected) materialize, resulting in income or expense, then the associated gain or loss on the hedging derivative is simultaneously transferred from other comprehensive income to corresponding income or expense line item.

If a cash flow hedge for a forecast transaction is deemed to be no longer effective, or the hedge relationship is terminated, the cumulative gain or loss on the hedging derivative previously reported in other comprehensive income is transferred to the income statement when the committed or forecast transaction occurs.

The foreign currency risk of a highly probable forecast intragroup transaction may qualify as a hedged item in the consolidated financial statements, provided that: (a) the transaction is denominated in a currency other than the functional currency of the entity entering into that transaction; and (b) the foreign currency risk will affect the consolidated income statement.

2.8.6 Net investment hedge

Hedges of net investments in foreign operations are accounted for in a similar way to cash flow hedges. The gain or loss on the effective portion of the hedging instrument is recognised in other comprehensive income; any gain or loss on the ineffective portion is recognized immediately in the income statement. Gains and losses accumulated in other comprehensive income are recycled in the income statement on the disposal of the foreign operation.

2.8.7 Hedge effectiveness testing

To qualify for hedge accounting, the Group requires that at the inception of the hedge and throughout its life, each hedge must be expected to be highly effective (prospective test), and demonstrate actual effectiveness (retrospective test) on an ongoing basis.

The documentation of each hedging relationship sets out how effective the hedge is assessed. The method the Group adopts for assessing hedge effectiveness will depend on its risk management strategy.

The Group has early adopted the Interest Rate Benchmark Reform Amendments to IFRS 9, IAS 39 and IFRS 7 which include a number of reliefs that apply to all hedging relationships directly affected by interest rate benchmark reform. The reliefs apply during the period before the replacement of an existing interest rate benchmark with an alternative risk-free rate (“RFR”). A hedging relationship is affected if interest rate benchmark reform gives rise to uncertainties about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument. The reliefs cease to apply once certain conditions are met. These include when the uncertainty arising from IBOR reform is no longer present with respect to the timing and amount of the benchmark-based cash flows of the hedged item, if the hedging relationship is discontinued or once amounts in the cash flow hedge reserve have been released.

Hedge ineffectiveness is recognized in the income statement in Net trading income / (loss) and results from investment securities.

2.8.8 Novation of derivatives and continuation of hedge accounting

When a) a derivative designated as a hedging instrument is novated to a clearing counterparty and b) certain conditions are met, a relief from discontinuing hedge accounting is provided.

2.9 Fair value of financial instruments

The Group measures the fair value of its financial instruments based on a framework for measuring fair value that categorises financial instruments based on a three-level hierarchy of the inputs to the valuation technique, as discussed below.

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities. Level 1 assets and liabilities include debt and equity securities and derivative contracts that are traded in an active market. An active market, is a market in which transactions for assets or liabilities take place with sufficient frequency and volume to provide pricing information on an ongoing basis and are characterized with low bid/ask spreads.

Level 2: Observable inputs other than Level 1 quoted prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data (for example derived from prices) for substantially the full term of the assets or liabilities. Level 2 assets and liabilities include debt securities with quoted prices that are traded less frequently than exchange-traded instruments, as well as debt securities without quoted prices and certain derivative contracts whose values are determined using pricing models, discounted cash flow methodologies, or similar techniques with inputs that are observable in the market or can be derived principally from or corroborated by observable market data. This category generally includes government and corporate debt securities with prices in markets that are not active and certain over-the-counter ("OTC") derivative contracts.

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety, is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety.

2.10 Recognition of deferred Day 1 profit or loss

When the fair value is determined using valuation models for which not all inputs are market observable prices or rates, the Group initially recognises a financial instrument at the transaction price, which is the best indicator of fair value, although the value obtained from the relevant valuation model may differ. Such a difference between the transaction price and the model value is commonly referred to as "Day 1 profit or loss". The Group does not recognise that initial difference, immediately in the income statement.

Deferred Day 1 profit or loss is amortised over the life of the instrument. Any unrecognised Day 1 profit or loss is immediately released to income statement if fair value of the financial instrument in question can be determined either by using market observable model inputs or by reference to a quoted price for the same product in an active market or upon settlement.

After entering into a transaction, the Group measures the financial instrument at fair value, adjusted for the deferred Day 1 profit or loss. Subsequent changes in fair value are recognised immediately in the income statement without reversal of deferred Day 1 profits and losses.

2.11 Derecognition

2.11.1 Financial assets

A financial asset (or, where applicable, a part of a financial asset or group of similar financial assets) is derecognised when:

i. the rights to receive cash flows from the asset have expired;

ii. the Group retains the right to receive cash flows from the asset, but assumes a contractual obligation to pay the cash flows to one or more recipients under a 'pass through' arrangement; or

iii. the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

iv. When the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement in the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

As part of its activities, the Bank securitises certain financial assets, generally through the sale of these assets to special purposes entities, which issue securities collateralised with these assets.

To the extent that the Bank sells these securities to third party investors, the transferred assets may qualify for derecognition in full or in part. Gains or losses on transfers that qualify for derecognition are based on the carrying amount of the financial assets derecognised and the retained interest, based on their relative fair values at the date of the transfer.

Modification

Forbearance measures do not lead to derecognition unless changes to the original contractual terms, result in a substantially different loan i.e. the loan is altered in a manner that the terms under the modified contract are substantially different from those under the original contract. When the modification is not considered substantial in order to lead to derecognition, the gain or loss arising from the modification is calculated as the difference between the present value of the new contractual cash flows (i.e. based on the modified terms) discounted by the original effective interest rate of the loan and the carrying amount post write-off (if any).

2.11.2 Financial liabilities

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, the exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference between the carrying amount of the extinguished or transferred liability and the consideration paid including any non-cash assets transferred or liabilities assumed is recognised in the Income statement.

When equity instruments issued to a creditor to extinguish all or part of a financial liability are recognised initially, an entity shall measure them at the fair value of the equity instruments issued, unless that fair value cannot be reliably measured.

2.12 Sale and repurchase agreements

Securities sold subject to a commitment to repurchase them at a predetermined price ('Repos') are retained on the Statement of Financial Position and the counterparty liability is included in amounts due to banks, due to customers or other deposits, as appropriate. Securities purchased under agreement to resell ('Reverse Repos') are recorded as due from banks or loans and advances to customers, as appropriate. The difference between sale and repurchase price (or the purchase and resale price) is treated as interest expense (or income) and accrued over the life of the Repos (or Reverse Repos) agreement using the effective interest rate method.

2.13 Securities borrowing and lending

Securities borrowed and securities lent are recorded at the amount of cash collateral advanced or received, plus accrued interest. Securities borrowed and securities received as collateral under securities lending transactions are not recognised in the financial statements unless control of the contractual rights that comprise these securities transferred is gained or sold to third parties, in which case the purchase and sale are recorded with the gain or loss included in trading income. The obligation to return them is recorded at fair value as a trading liability.

Respectively, securities lent and securities provided as collateral under securities borrowing transactions are not derecognised from the financial statements unless control of the contractual rights that comprise these securities transferred is relinquished.

The Group monitors the market value of the securities borrowed and lent on a regular basis and provides or requests additional collateral in accordance with the underlying agreements. Fees and interest received or paid are recorded as interest income or interest expense, on an accrual basis.

2.14 Regular way purchases and sales

"Regular way" purchases and sales of financial assets and liabilities (that is, those that require delivery within the time frame established by regulation or market convention) are recognised on the settlement date apart from trading and investment securities and derivative financial instruments, which are recognised on the trade date, which is the date that the Group commits to purchase or sell the asset. Other purchases and sales of trading securities are treated as derivatives until settlement occurs.

2.15 Offsetting

Financial assets and liabilities are offset and the net amount is reported in the Statement of Financial Position when, and only when there is currently a legally enforceable right to offset the recognised amounts and there is an intention to realise the asset and settle the liability simultaneously or on a net basis.

2.16 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Bank and the revenue can be reliably measured. Revenue associated with the rendering of services is recognized by reference to the stage of completion of the transaction at the end of the reporting period.

2.16.1 Interest and similar income

Interest from interest-bearing assets and liabilities except for those that have the legal form of a derivative are recognized as net interest income using the effective interest rate (EIR). EIR is the rate that discounts expected future cash receipts through the expected life of the financial instrument to its gross carrying amount. The calculation takes into account the contractual interest rate, along with any fees or incremental costs that are directly attributable to the instrument and all other premiums or discounts.

All realised and unrealised gains or losses from changes in fair value of financial assets mandatorily measured at FVTPL, with a legal form of a derivative, are recognised in "net trading income/(loss) and results from investment securities", including interest income, if any. Financial assets which are derivatives in their legal form but do not meet the accounting definition of a derivative, are mandatorily measured at FVTPL and classified within "financial assets at FVTPL".

2.16.2 Fee and commission income

Fee and commission income includes asset management fees, commission fees, investment banking fees and credit card fees. The Bank recognizes asset management fees based on time elapsed, which depicts the rendering of investment management services over time.

Commission income includes sales, mutual fund management fees and brokerage commissions. Sales and brokerage commissions are generally recognized at a point in time when the transaction is executed. Mutual fund management fees are recognized over time and are generally calculated based on the average daily net asset value of the fund during the period.

Investment banking fees include advisory fees and underwriting fees and are generally recognized at a point in time as income upon successful completion of the engagement.

2.17 Property and equipment, RoU assets and foreclosed assets

Property and equipment include land and buildings, leasehold improvements, transportation and other equipment, held by the Group for use in the supply of services or for administrative purposes. Property and equipment are initially recorded at cost, which includes all costs necessary to bring an asset into operating condition. RoU assets are presented together with property plant and equipment in the statement of financial position, and are analysed in Note 26.

Property and equipment are subsequently measured at cost less accumulated depreciation and accumulated impairment losses. Costs incurred subsequent to the acquisition of an asset which is classified as property and equipment are capitalised only when it is probable that they will result in future economic benefits to the Group beyond those originally anticipated for the asset, otherwise they are expensed as incurred.

Depreciation begins when the asset is available for use and ceases only when the asset is derecognised. Depreciation of an asset that is retired from active use does not cease unless it is fully depreciated, but its useful life is reassessed. Property and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Land	No depreciation
Buildings	Not exceeding 50 years
Leasehold improvements	Residual lease term, not exceeding 12 years
Furniture and related equipment	Not exceeding 12 years
Motor vehicles	Not exceeding 10 years
Hardware and other equipment	Not exceeding 5 years
Right-of-use assets	Straight-line basis over the lease term

At each reporting date the Group assesses whether there is any indication that an item of property and equipment and right of use assets may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. Where the carrying amount of an asset exceeds its estimated recoverable amount, it is written down to its recoverable amount. Gains and losses on disposal of property and equipment are determined by reference to their carrying amount and are taken into account in determining profit/(loss) before tax.

Assets that are classified as “foreclosed assets” are included in other assets upon actual foreclosure or when physical possession of the collateral is taken, through mutual agreement or court action. Foreclosed assets arise when the Group initiates legal actions for debt collection upon the recognition that repayment or restructuring of the debt cannot be achieved. In case the exposures are collateralized with assets, legal actions involve the initiation of an auction program that targets the repayment of the loans through the collateral liquidation value. Foreclosed assets are initially measured at the fair value of the property less estimated costs to sell. Prior to foreclosure, any write-downs, if necessary, are charged to the allowance for loan losses. Subsequent to acquisition, gains or losses on the disposal of, and losses or gains up to the amount of previous write-downs arising from the (periodic) revaluation of repossessed properties are recorded in “Net other income/(expense)”.

2.18 Investment property

Investment property includes land and buildings owned by the Group (or held through a finance lease agreement) with the intention of earning rent or for capital appreciation or both, and is initially recorded at cost, which includes transaction costs.

Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and any accumulated impairment losses.

Investment property is depreciated on a straight-line basis over its estimated useful life, which approximates the useful life of similar assets included in property and equipment. Investment property is reviewed for impairment when there is an indication of impairment or at least on an annual basis.

2.19 Goodwill, software, and other intangible assets

2.19.1 Goodwill

Subsequent to initial recognition, goodwill is stated at cost, as established at the date of acquisition (see Business combinations-Goodwill) less accumulated impairment losses.

Goodwill is allocated to cash-generating units (“CGUs”) for the purpose of impairment testing. The allocation is made to those cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

The Group assesses goodwill for possible impairment annually or more frequently if there are indications for impairment. The assessment involves estimating whether the carrying amount of the goodwill remains fully recoverable. When making this assessment the Group compares the carrying value of the CGU to which the goodwill is allocated to its recoverable amount, which is the higher of fair value less cost to sell and value in use. Fair value is estimated by reference to market value, if available, or is determined by a qualified evaluator or pricing model. If the recoverable amount is less than the carrying amount, an irreversible impairment loss is recognised, and the goodwill is written down by the excess of the carrying amount of the unit over its recoverable amount.

2.19.2 Intangible assets acquired through business combinations

Intangible assets acquired through business combinations include brand names, which have an indefinite life and core deposits and customer relationships, which have a finite life and are amortised on a straight line basis over their useful lives of 6-11 years.

2.19.3 Software

Software includes costs that are directly associated with identifiable and unique software products controlled by the Group that are anticipated to generate future economic benefits exceeding costs beyond one year. Expenditure, which enhances or extends the performance of computer software programs beyond their original specifications is recognised as a capital improvement and added to the original cost of the software.

Software is amortised using the straight-line method over the useful life, not exceeding a period of 20 years.

In particular for **internally generated software,** the amount initially recognised is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria. Where no internally generated intangible asset can be recognised, development expenditure is charged to the income statement in the period in which it is incurred.

Research costs are expensed as incurred. An internally generated software arising from development expenditure incurred on an individual project is recognized only when the Group can demonstrate:

i. the technical feasibility of completing the internally generated software so that it will be available for use,

ii. its intention to complete and use the asset,

iii. the ability to use the asset,

iv. how the asset will generate future economic benefits,

v. the ability of adequate technical, financial and other resources to complete the development and use the asset and

vi. the ability to measure reliably the expenditure during development.

Following the initial recognition of the development expenditure, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and impairment losses.

Expenditure on starting up an operation or branch, training personnel, advertising and promotion and relocating or reorganizing part or the entire Group is recognised as an expense when it is incurred.

2.20 Impairment

At each reporting date, management reviews intangible assets and assesses whether there is any indication of impairment. If such indications exist an analysis is performed to assess whether the carrying amount of intangible assets is fully recoverable. A write-down is made if the carrying amount exceeds the recoverable amount.

2.21 Insurance operations

The amendment to IFRS 4 *Insurance Contracts* "Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts", adopted by the European Union on 3 November 2017, provides the option for entities that predominantly undertake insurance activities to defer the effective date of IFRS 9 until 1 January 2021 . The effect of such a deferral is that those entities may continue to report their financial statements under the existing standard IAS 39.

This temporary exemption from IFRS 9, which was limited to groups that predominantly undertook insurance activities according to the IASB amendment, has been extended to the insurance sector of financial conglomerates as defined by the Directive 2002/87/EC as adopted by the European Union.

The Group applies this amendment to Ethniki Hellenic General Insurance S.A. ("NIC") its insurance business which continues to apply IAS 39 "Financial instruments: Recognition and Measurement".

NIC is a non-current asset held for sale thus all results affecting the Income Statement are classified under "Profit/loss for the period from discontinued operations". Likewise all assets and liabilities are classified under "Non-current assets held for sale" and "Liabilities associated with non-current assets held for sale", respectively.

Financial securities of NIC

2.21.1 Financial assets and liabilities at fair value through profit or loss

This category has the following two sub-categories:

(a) Trading and

(b) Financial assets and liabilities designated as at fair value through profit or loss.

2.21.2 Trading

The trading category includes securities, which are either acquired for generating a profit from short-term fluctuations in price or dealer's margin, or are included in a portfolio in which a pattern of short-term profit making exists, and derivatives unless they are designated as and are effective hedging instruments.

Trading securities may also include securities sold under sale and repurchase agreements (see Sale and repurchase agreements).

2.21.3 Financial assets and liabilities designated as at fair value through profit or loss

Financial assets may be designated at fair value through profit or loss (in accordance with IAS 39) when:

i. Doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as "an accounting mismatch") that would otherwise arise if the related derivatives were treated as held for trading and the underlying financial instruments were carried at amortised cost for such as loans and advances to customers or banks and debt securities in issue;

ii. A group of financial assets, financial liabilities or both 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 key management personnel, for example the Board of Directors and Chief Executive Officer;

iii. The financial instruments contain one or more embedded derivatives that significantly modify the cash flows resulting from those financial instruments and would have to be separated if not in this category.

The fair value designation, once made, is irrevocable.

Financial assets and liabilities at fair value through profit or loss (both trading and designated) are initially recognised at fair value and subsequently re-measured at fair value. Dividend income is recognised in the income statement when the right to receive payment is established. This is the ex-dividend date for equity securities.

2.21.4 Investment securities

Investment securities are initially recognised at fair value (including transaction costs) and are classified as available-for-sale, held-to-maturity, or loans-and-receivables based on the securities' characteristics and management intention on purchase date. Investment securities are recognised on the trade date, which is the date that NIC commits to purchase or sell the asset. All other purchases and sales, which do not fall within market convention, are recognised as derivative forward transactions until settlement.

Available-for-sale investment securities are measured subsequent to initial recognition at fair value. Unquoted equity instruments whose fair value cannot be reliably estimated are carried at cost. Unrealised gains and losses arising from changes in the fair value of available-for-sale investment securities are reported in other comprehensive income, net of taxes (where applicable), until such investment is sold, collected or otherwise disposed of, or until such investment is determined to be impaired.

Available-for-sale investment securities may be sold in response to needs for liquidity or changes in interest rates, foreign exchange rates or equity prices. When an available-for-sale investment security is disposed of or impaired, the accumulated unrealised gain or loss included in other comprehensive income is transferred to the income statement for the period. Gains and losses on disposal are determined using the moving average cost method.

Held-to-maturity investment securities consist of non-derivative, securities that are quoted in an active market, with fixed or determinable payments and fixed maturity, which the management has the positive intent and ability to hold to maturity.

Loan and receivable investment securities consist of non-derivative investment securities with fixed or determinable payments that are not quoted in an active market.

Held-to-maturity and Loan and receivable investment securities are carried at amortised cost using the effective interest rate method, less any provision for impairment. Amortised cost is calculated by taking into account any fees, points paid or received, transaction costs and any discount or premium on acquisition.

Impairment: NIC assesses at each reporting date whether there is objective evidence that an investment security or a group of such securities is impaired.

Particularly for equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the assets are impaired.

If any objective evidence of impairment exists for available-for-sale financial assets, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the Income statement) is removed from Other comprehensive income and recognised in the Income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement. If, in a subsequent period, the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the income statement, the impairment loss is reversed through the Income statement.

The amount of the impairment loss for held-to-maturity and loans and receivable investment securities, which are carried at amortised cost is calculated as the difference between the asset's carrying amount and the present value of expected future cash flows discounted at the financial instrument's original effective interest rate.

2.21.5 Contract classification

In accordance with the requirements of IFRS 4, NIC classifies its contracts into insurance contracts and investment contracts.

a. Insurance contracts

Insurance contracts are defined as those contracts that contain significant insurance risk at the inception of the contract. A contract which exposes the insurance company to financial risk without material insurance risk is not an insurance contract.

The Group classifies its financial guarantee contracts issued by its insurance companies as insurance contracts.

Insurance contracts are categorized in two categories according to the nature of the insurance risk.

a1. Life insurance contracts

Life insurance includes all types of traditional coverage (term, whole life, endowment, annuities) and unit-linked products for which a guaranteed premium return is provided at maturity. The associated premiums are recognized on issuance or renewal of the contracts.

a2. Property & casualty insurance contracts (P&C)

Premiums are recorded on inception of the policies and are recognized as revenue (earned premiums) on a pro rata basis over the related policy term. Deferred income is carried over to the unearned premium reserve.

b. Investment contracts

Investment Contracts are defined as those contracts that are not classified as Insurance Contracts.

b1. Deposit Administration Funds (DAF)

Such policies offer a guaranteed investment return on members contributions plus a discretionary participation feature. Policies are written to employees of companies, which define the benefits to be received. Any shortfalls are covered by the company whose employees are insured.

b2. Unit Linked investment contracts

Policies linked with financial instruments where the insured bears the investment risk.

2.21.6 Deferred acquisition costs (DAC)

Commissions and other acquisition costs incurred during the financial period for issuing new contracts and /or renewing existing contracts, which are related to subsequent financial periods are deferred and recognised over the period in which the revenue is recognised.

2.21.7 Insurance reserves

Insurance reserves include the statutory reserves for life and non-life insurance and the results of the test performed to assess the adequacy of these reserves:

Mathematical reserves: Life insurance mathematical reserves represent net premium statutory reserves calculated using a specific technical basis regarding the underlying interest and mortality rates.

Outstanding claims reserve: Outstanding claims reserves consist of the case provisions set by the assessors and the actuarially estimated additional amounts to cover the possible inadequacy of these provisions, the cost of not reported (IBNR) claims and the associated claims handling expenses. The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques, such as Chain Ladder and Bornheutter-Ferguson methods. The main assumption underlying these techniques is that a Group's past claims development experience can be used to project future claims development and hence ultimate claims costs.

Unearned premium reserve: Calculated on a pro-rata basis for the time period from the valuation date to the end of the period for which premium has been booked.

Unexpired risk reserve: Represents an estimate for the additional amount required to cover the inadequacy of the unearned premium reserve in case of high loss and expense ratios.

Liability Adequacy Test (LAT): The Group assesses whether its recognised insurance liabilities are adequate by applying a liability adequacy test ("LAT"), by using current estimations of future cash flows. Additional liability resulting from the LAT, increases the carrying amount of insurance liabilities as determined in accordance with the above mentioned policies and is charged to the Income statement.

2.21.8 Reinsurance

The Group has reinsurance treaties that transfer significant insurance risk. Liabilities for reinsured contracts are calculated gross of reinsurance and a separate reinsurance asset is recorded. Amounts paid for retroactive reinsurance are reported as reinsurance receivables, increased to the amount of the recorded reserves relating to the underlying reinsured contracts. Any resulting gain is deferred and amortised over the remaining settlement period. Where the amount paid exceeds recorded reserves, the excess is recognized in the income statement.

2.22 Leases (applicable before 1 January 2019)

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement. It requires an assessment of whether: (a) fulfilment of the arrangement is dependent on the use of a specific asset or assets (the asset); and (b) the arrangement conveys a right to use the asset.

2.22.1 A Group company is the lessee

Finance lease: Leases where the Group has substantially all the risks and rewards of ownership of the asset are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The outstanding rental obligations, net of finance charges, are included in other liabilities. The interest element of the finance cost is charged to the income statement over the lease period. All assets acquired under finance leases are depreciated over the shorter of the useful life of the asset or the lease term.

Operating lease: Leases where a significant portion of the risks and rewards of ownership of the asset are retained by the lessor are classified as operating leases. The total payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

2.22.2 A Group company is the lessor

Finance lease: When assets are leased out under a finance lease, the present value of the minimum lease payments is recognised as a receivable. Lease income is recognised over the term of the lease using the net investment method (before tax), which reflects a constant periodic rate of return. Finance lease receivables are included in loans and advances to customers.

Operating lease: Fixed assets leased out under operating leases are included in the Statement of Financial Position based on the nature of the asset. They are depreciated over their useful lives on a basis consistent with similar owned property. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

2.23 Leases (applicable after 1 January 2019)

2.23.1 A Group company is the lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets for which lease payments are recognized as operating expenses on a straight-line basis over the lease term. The Group recognizes lease liabilities representing the obligation to make lease payments and right-of-use (RoU) assets representing the right to use the underlying assets.

2.23.2 RoU assets

The Group recognizes RoU assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). RoU assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of RoU assets includes the amount of lease liabilities recognized, initial direct costs incurred, restoration costs and lease payments made at or before the commencement date less any lease incentives received. RoU assets are depreciated on a straight-line basis over the lease term. The RoU assets are presented in property and equipment.

2.23.3 Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (less any lease incentives receivable), variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs. The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or a rate, if there is a change in the Group's estimate of the amounts expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the RoU asset, or is recorded in the Income Statement if the carrying amount of the RoU asset has been reduced to zero.

2.23.4 Short-term leases and leases of low-value assets

The Group has elected not to recognize RoU assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term (Note 12).

2.23.5 A Group company is the lessor

Finance lease: When assets are leased out under a finance lease, the present value of the minimum lease payments is recognized as a receivable. Lease income is recognized over the term of the lease using the net investment method (before tax), which reflects a constant periodic rate of return. Finance lease receivables are included in loans and advances to customers.

Operating lease: Fixed assets leased out under operating leases are included in the Statement of Financial Position based on the nature of the asset. They are depreciated over their useful lives on a basis consistent with similar owned property. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

2.24 Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, unrestricted balances held with central banks, amounts due from other banks and highly liquid financial assets with original maturities of less than three months from the date of acquisition such as treasury bills and other eligible bills, investment and trading securities which are subject to insignificant risk of changes to fair value and are used by the Group in the management of its short-term commitments.

2.25 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

2.26 Financial guarantee contracts

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 when due in accordance with the original or modified terms of a debt instrument.

A financial guarantee contract, other than those assessed as insurance contracts, is recognised initially at their fair value and subsequently measured at the higher of: (a) the unamortized balance of the related fees received and deferred, and (b) the best estimate of the amount required to settle the guarantee at the reporting date.

2.27 Employee benefits

Group companies operate various post-employment benefit plans in accordance with local conditions and practices in their respective countries. Such plans are classified as defined benefit and defined contribution plans.

2.27.1 Pension plans

a. Defined benefit plans

A defined benefit plan is a post-employment benefit plan that defines an amount of benefit to be provided, determined using a number of financial and demographic assumptions. The most significant assumptions include age, years of service or compensation, life expectancy, the discount rate, expected salary increases and pension rates. For defined benefit plans, the liability is the present value of the defined benefit obligation as at the reporting date minus the fair value of the plan assets. The defined benefit obligation and the related costs are calculated by independent actuaries on an annual basis at the end of each annual reporting period, using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds or government bonds that are denominated in the currency in which the benefits will be paid and, which have terms to maturity approximating the terms of the related liability, or for currencies for which there is no deep market in such high quality corporate bonds, the market yields (at the end of the reporting period) on government bonds denominated in that currency shall be used. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined liability/(asset). Service cost (current service cost, past service cost (including the effect of curtailments) and gains or losses on settlements) and net interest on the net defined benefit liability/(asset) are charged to the income statement and are included in staff costs. The defined benefit obligation net of plan assets is recorded on the Statement of Financial Position, with changes resulting from remeasurements (comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan asset (excluding interest)) recognized immediately in OCI, with no subsequent recycling to profit or loss, in order to fully reflect the full value of the plan deficit or surplus.

b. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and has no legal or constructive obligations to pay further contributions, if the entity does not hold sufficient assets to pay all employees' benefits relating to employee service in the current and prior periods. Group contributions to defined contribution plans are charged to the income statement in the year to which they relate and are included in staff costs.

2.27.2 Share based payment transactions

The fair value of the employee services received in exchange for the grant of the options is measured by reference to the fair value of the share options at the date on which they are granted and is recognised in the income statement over the period that the services are received, which is the vesting period. The total amount to be expensed over the vesting period is determined by reference to the fair value of the share options granted. Fair value of the options granted is determined using an option-pricing model that takes into account the share price at the grant date, the exercise price of the option, the life of the option, the expected volatility of the share price over the life of the option, the expected dividends on it, and the risk-free interest rate over the life of the option.

When the options are exercised and new shares are issued, the proceeds received net of any transaction costs are credited to share capital (par value) and the surplus to share premium.

2.27.3 Termination benefits

A liability for a termination benefit is recognised at the earlier of when the Group can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

2.28 Income taxes

Current income tax liability is based on taxable profit for the year. Taxable profit differs from profit/(loss) for the period as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's current income tax liability is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method.

The principal temporary differences arise from revaluation of certain financial instruments, including securities and derivatives, insurance reserves, provisions for defined benefit obligations and other post retirement benefits, loss from the Private Sector Initiative ("PSI") and property and equipment. DTA relating to the unused tax losses carried forward are recognised to the extent that it is probable that sufficient taxable profits will be available in the future against which these deductible temporary differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on laws that have been enacted or substantially enacted at the reporting date.

Deferred tax assets and liabilities are not recognized if the temporary differences arise from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profits nor the accounting profits.

Recognition of deferred tax assets is based on management's belief that it is probable that the tax benefits associated with certain temporary differences, such as tax losses carry forward and tax credits, will be realized, based on all available evidence. The carrying amount of deferred tax assets is reviewed annually and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. In making such determination, the Group and the Bank consider all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income and recent financial results. In the event the Group and the Bank were to determine that it would be able to realize their deferred income tax assets in the future in excess of their recorded amount, it would make an adjustment to increase the carrying amount of deferred tax assets.

Current and deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current income tax advances against current income tax liabilities and when they relate to income taxes levied by the same taxation authority and the management intends to settle its current tax assets and liabilities on a net basis.

Deferred income tax is recognised for temporary differences arising from investments in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary difference can be controlled by the Group and it is probable that the difference will not reverse in the foreseeable future.

Deferred income tax relating to fair value changes of investment securities measured at FVTOCI and cash flow hedges, which are charged or credited to other comprehensive income, is also credited or charged to other comprehensive income where applicable and is subsequently recognised in the income statement together with the deferred gain or loss.

2.29 Debt securities in issue and other borrowed funds

Debt securities issued and other borrowed funds are initially recognised at fair value net of transaction costs incurred. Subsequent measurement is at amortised cost (unless they are designated as at fair value through profit or loss) and any difference between net proceeds and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest rate method.

2.30 Share capital, treasury shares and other equity items

Share and other equity items issue costs: Incremental external costs directly attributable to the issue of shares and other equity items, other than on a business combination, are deducted from equity net of any related income tax benefit.

Dividends on ordinary shares, preference shares and preferred securities: Dividends on ordinary shares are recognised as a liability in the period in which they are approved by the Bank's Shareholders at the Annual General Meeting. Dividends on preference shares and preferred securities classified as equity are recognised as a liability in the period in which the Group becomes committed to pay the dividend.

Treasury shares: NBG shares held by the Group are classified as treasury shares and the consideration paid including any attributable incremental external costs, net of income taxes, is deducted from total shareholders' equity until they are cancelled, reissued or resold. Treasury shares do not reduce the number of shares issued but affect the number of outstanding shares used in the calculation of earnings per share. Treasury shares held by the Bank are not eligible to receive cash dividends. Any difference between acquisition cost and ultimate proceeds from subsequent resale (or reissue) of treasury shares is included in shareholders' equity and is therefore not to be considered a gain or loss to be included in the income statement.

2.31 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the person or group that allocates resources to and assesses the performance of the operating segments of an entity. The Group has determined the Senior Executive Committee as its chief operating decision-maker.

All transactions between business segments are conducted on an arm's length basis, with inter-segment revenue and costs being eliminated. Income and expenses directly associated with each segment are included in determining business segment performance.

Geographical segments include income from assets that are either located or are managed in the respective geographical areas.

2.32 Assets and liabilities held for sale and discontinued operations

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification except as permitted by IFRS 5, and actions required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale on initial classification are measured at their lower of carrying amount and fair value less costs to sell. Assets and liabilities of disposal groups classified as held for sale and non-current assets classified as held for sale are shown separately on the face of the Statement of Financial Position.

Impairment losses on initial classification as held for sale are included in the income statement, even when there is a revaluation. The same applies to gains and losses on subsequent re-measurement.

If the Group has classified an asset (or disposal group) as held for sale, but the criteria for classification as such are no longer met, the Group ceases to classify the asset (or disposal group) as held for sale. The Group measures a non-current asset (or disposal group) that ceases to be classified as held for sale (or ceases to be included in a disposal group classified as held for sale) at the lower of:

(a) its carrying amount before the asset (or disposal group) was classified as held for sale, adjusted for any depreciation or amortisation that would have been recognised had the asset (or disposal group) not been classified as held for sale, and

(b) its recoverable amount at the date of the subsequent decision not to sell.

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is classified as held for sale or is a subsidiary acquired exclusively with a view to resale. Classification as discontinued operations occurs upon disposal or when the operations meet the criteria to be classified as held for sale.

The results of discontinued operations are shown as a single amount on the face of the income statement comprising the post-tax profit or loss of discontinued operations and the post-tax gain or loss recognized either on measurement to fair value less costs to sell or on the disposal of the discontinued operation.

2.33 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions. Government grants relating to costs are deferred and recognised in the income statement over the period necessary to match them with the costs that they are intended to compensate. Government grants relating to property, plant and equipment are included in other liabilities and are credited to the income statement on a straight-line basis over the expected lives of the related assets.

2.34 Related party transactions

Related parties include entities, which the Bank has the ability to exercise significant influence in making financial and operating decisions. Related parties include the members of the Board of Directors, the General Managers, the members of the Executive Committees of the Bank, the key management of the Group companies, their close relatives, companies controlled or joint controlled by them and companies over which they can influence the financial and operating policies.

2.35 Fiduciary and trust activities

The Group provides fiduciary and trust services to individuals and other institutions, whereby it holds and manages assets or invests funds received in various financial instruments at the direction of the customer. The Group receives fee income for providing these services. Trust assets are not assets of the Group and are not recognised in the financial statements. The Group is not exposed to any credit risk relating to such placements, as it does not guarantee these investments.

2.36 Earnings /(losses) per share

A basic earnings per share (EPS) ratio is calculated by dividing the profit or loss for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period excluding the average number of ordinary shares purchased by the Group and held as treasury shares.

A diluted earnings per share ratio is computed using the same method as for basic EPS, but the determinants are adjusted to reflect the potential dilution that could occur if convertible debt securities, options, warrants or other contracts to issue ordinary shares were converted or exercised into ordinary shares.

NOTE 3: Critical judgments and estimates

The preparation of the financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the reported amount of assets, liabilities, income and expense in the consolidated and separate financial statements and accompanying notes. The Group believes that the judgments, estimates and assumptions used in the preparation of the consolidated and separate financial statements are appropriate.

The most significant areas, for which judgments, estimates and assumptions are required in applying the Group's accounting policies, are the following:

3.1 Fair value of financial instruments

The fair values of financial instruments that are not quoted in active markets are determined by using valuation techniques. These include present value methods and other models based mainly on observable input parameters and to a small extent on non-observable input parameters. Valuation models are used primarily to value derivatives transacted in the over-the-counter market.

These models take into consideration the impact of credit risk. For derivatives, this impact is estimated by calculating a separate credit value adjustment ("CVA") for each counterparty to which the Group has exposure. The calculation considers expected exposures generated using simulation techniques, as well as netting agreements and collateral postings. Furthermore, the CVA is based on expected loss rates derived from Credit Default Swaps ("CDS") rates observed in the market, or, if these are not available, the probability of default of the counterparty derived from internal rating models, or otherwise the regulatory risk weight is applied. With respect to the impact of own credit risk on the valuation of derivatives, the Group applies a methodology symmetric to the one applied for CVA.

All valuation models are validated before they are used as a basis for financial reporting. Valuation results of material models are periodically reviewed by qualified personnel independent of the area that performed the development. Wherever possible, the Group compares valuations derived from models with quoted prices of similar financial instruments and with actual values when realised, in order to further validate and calibrate its models. A variety of factors are incorporated into the Group's models, including actual or estimated market prices and rates, such as time value and volatility, market depth and liquidity, and changes in own credit risk for financial liabilities.

The Group applies its models consistently from one period to the next, ensuring comparability and continuity of valuations over time, but estimating fair value inherently involves a significant degree of judgment. Management therefore periodically reviews the output of the model to cover the risks associated with the estimation of unobservable input parameters and the assumptions within the models themselves.

Although a significant degree of judgment is, in some cases, required in establishing fair values, management believes the fair values recorded in the Statement of Financial Position and the changes in fair values recorded in the Income Statement or the Statement of Other Comprehensive Income are prudent and reflective of the underlying economics, based on the controls and procedural safeguards employed.

Additional information related to fair value of financial instruments is disclosed in Note 4.8.

3.2 Income taxes

The Group is subject to income taxes in various jurisdictions. Significant judgment is required in determining the provision for income taxes and the amount of deferred tax asset that is recoverable. The Group considers many factors including statutory, judicial and regulatory guidance in estimating the appropriate accrued income taxes for each jurisdiction. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognizes liabilities for anticipated tax audit issues based on the technical merits of tax position taken and estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which the final outcome is determined.

Deferred tax assets are recognized in respect of tax losses and deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the losses and deductible temporary differences can be utilized. Estimating the expected future taxable income requires the application of judgment and making assumptions about the future trends of the key drivers of profitability, such as loan and deposits volumes and spreads and operating expenses.

As of 31 December 2019 the Bank assessed the recoverability of its deferred tax asset, taking into account the actual performance for the year ended 31 December 2019, the completed and agreed disposals of NBG's subsidiaries and the economic conditions in Greece (see Note 2.2).

Taking the above into consideration, Management prepared analytical financial projections up to the end of 2023 and used its best estimates regarding the growth assumptions thereafter. Based on the above, Management concluded that a deferred tax asset of 4,911 million for the Group and 4,906 million for the Bank may be treated as realisable.

The amount of the deferred tax asset on tax losses and deductible temporary differences currently treated as non-realizable, however, could be recognised in future periods if estimates of future taxable income during the carry-forward period are increased. Taxable income is calculated in accordance with applicable Greek tax laws and regulations; accordingly taxable income should not be considered as equal to or an alternative to net income.

3.3 Pension benefits - Defined benefit obligation

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions such as mortality, disability and rates of employee turnover and financial assumptions such as the discount rate, salary changes and benefit levels. Any changes in these assumptions will impact the carrying amount of defined benefit obligations. The Group determines the appropriate discount rate at the end of each year by reference to market yields based on high quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related defined benefit obligations. Where a deep market in these bonds does not exist, estimates of rates which take into account the risk and maturity of the related liabilities are used.

Additional information related to other key assumptions for defined benefit obligations is disclosed in Note 11.

3.4 Impairment assessment of investments in subsidiaries, associates and joint ventures in individual financial statements

The Bank accounts for and assesses for impairment investments in subsidiaries, associates and joint ventures in its separate financial statements as described in Note 2.4.9. This assessment requires the use of certain assumptions and estimates, which management believes are reasonable and supportable in the existing market environment and commensurate with the risk profile of the assets valued. However, different ones could be used which would lead to different results.

3.5 Assessing whether the contractual cash flows are SPPI: Non-recourse features

The Group applies judgment when considering whether non-recourse features significantly affect future cash flows. In order to conclude whether the loan represents a basic lending agreement and its return does not vary based on the performance of the underlying asset or project, the Group assesses whether there is an adequate buffer to absorb credit losses primarily by comparing the value of asset performance indicators, (e.g. loan-to-value and average debt servicing coverage ratio) against predefined thresholds.

3.6 Measurement uncertainty in determination of ECL estimates

The calculation of ECL requires management to apply significant judgment and make estimates and assumptions that involve significant uncertainty at the time they are determined. Changes to these estimates and assumptions can result in significant changes to the amount and timing of ECL to be recognised. The most significant sources of measurement uncertainty relate to the following ECL factors:

Determination of a significant increase of credit risk

The Group assesses whether a SICR has occurred since initial recognition based on qualitative and quantitative criteria that include significant management judgment. Refer to Note 2.7.7.6 for further information on the criteria applied. More stringent criteria could significantly increase the number of instruments being classified into Stage 2. All staging criteria and thresholds determined based on FLI are subject to validation by the Bank's Model Validation Unit. Changes in the staging criteria are approved by the Group's Executive Committee and Board Risk Committee.

Model risk inherent in the IFRS 9 models

Compliance with the IFRS 9 impairment model requires the use of a variety of models. The complexity of the models as well as dependency to other model-based inputs is high therefore any changes in inputs and data (e.g. internal credit ratings, behavioural scores etc.), as well as new or revised models, may significantly affect ECL. The models are validated by the Bank's Model Validation Unit, in accordance with the Group's Model Validation Framework.

Forward looking information

FLI is incorporated in the ECL measurement of collectively assessed loans and debt securities through the PD and LGD models. The expected recoveries (cash flow recoveries or liquidation of collateral) used in the ECL calculation of corporate lending exposures individually assessed, takes into account FLI based on the Bank's forecasts of the relevant macroeconomic factors. Management selects forward-looking scenarios and judges the suitability of respective weights to be applied. Each of the scenarios is based on Management's assumptions around future economic conditions in the form of macroeconomic, market and other factors. Changes in the scenarios and weights, the relevant macroeconomic variables and the assumptions made under those variables for the forecast horizon would have a significant effect on the ECL.

NOTE 4: Financial risk management

The Group considers effective risk management to be a key factor in its ability to deliver sustained returns to the shareholders. The Group allocates substantial resources to keep upgrading its policies, processes, methods and infrastructure to ensure compliance with best international practices and the guidelines of the Basel Committee for Banking Supervision.

4.1 Group Risk Management Governance Framework

The Group aims to adopt practices regarding risk management governance, taking into account all relevant guidelines and regulatory requirements. The risk management processes of the Group distinguish among the following kinds of risk: credit risk, concentration risk, market risk, interest rate risk in the banking book, counterparty credit risk, liquidity risk, operational risk and model risk.

The Group Risk Management Governance Framework is described in detail in the Risk Management section of the Board of Directors Report.

4.2 Credit risk

Credit risk is the risk of financial loss relating to the failure of a borrower to honor its contractual obligations. It arises in lending activities as well as in various other activities where we are exposed to the risk of counterparty default, such as our trading, capital markets and settlement activities. Credit risk is the largest single risk NBG Group faces. The credit risk processes are conducted separately by the Bank and each of its subsidiaries. The credit risk procedures established by the subsidiaries are coordinated by the GRCAD.

4.2.1 Credit policy for corporate lending

The credit policies for corporate lending of the Bank and its Subsidiaries present the fundamental policies for the identification, measurement, approval, monitoring and reporting of the credit risk related to the corporate portfolio and ensure equal treatment for all obligors.

The credit policy of the Bank ("Corporate Credit Policy") is approved by the Board of Directors (BoD) upon recommendation of the Board Risk Committee (BRC) following proposal by the Group CRO to the BRC and the Executive Committee. The Corporate Credit Policy is reviewed at least on an annual basis and can be amended when deemed necessary every 2 years the latest.

Exceptions to the Corporate Credit Policy are approved by the BoD upon recommendation of the BRC following proposal by the Group CRO to the BRC and the Executive Committee.

4.2.2 Credit policy for retail lending

The credit policy for retail lending ("Retail Banking Credit Policy") sets the minimum credit criteria, policies, procedures and guidelines for managing and controlling credit risk undertaken in retail portfolios, both at Bank and Group level. Its main scope is to enhance, guide and regulate the effective and adequate management of credit risk, thus achieving a viable balance between risk and return.

The Retail Banking Credit Policy is communicated through the use of respective credit policy manuals ("Credit Policy Manual"). The Credit Policy Manual is made to serve three basic objectives:

- to set the framework for basic credit criteria, policies and procedures,
- to consolidate retail credit policies of the Group, and,
- to establish a common approach for managing retail banking risks.

The Bank's Retail Banking Credit Policy is approved and can be amended or revised by the Board of Directors following recommendation from the BRC, and is subject to periodic revision.

The NBG Group Retail Credit Division reports directly to the Group CCO and its main task is to evaluate, design and approve the credit policy that governs the retail banking products, both locally and abroad. Furthermore, the Division closely monitors the consistent implementation of both the Retail Banking Credit Policy provisions and credit granting procedures.

Through the application of the Retail Banking Credit Policy, the evaluation and estimation of credit risk, for new as well as for existing products, are effectively facilitated. NBG's Senior Management is regularly informed on all aspects regarding the credit policy. Remedial action plans, are put together to resolve the issues, whenever necessary, within the risk appetite and strategic orientation of the Bank. The Retail Banking Credit Policy is subject to periodic reviews during which all approved policy changes are incorporated into the Policy Manual.

4.2.3 Credit granting processes

The Group's credit granting processes are described in the Risk Management section of the Board of Directors Report, under Management of Risks | Credit Risk.

4.2.4 Credit risk assessment, monitoring and internal ratings

The credit risk process for the Bank on obligor level is managed centrally by GRCAD, working closely with the Credit Units and the centralised underwriting units, responsible for the particular types of credit.

The Bank uses different credit risk rating models, according to the nature of credit portfolios, which are reviewed systematically and validated annually by the independent MVU. More specifically:

Corporate Portfolio

NBG has developed a corporate portfolio rating system which, following approval and certification by the Bank of Greece, is used to quantify risk parameters, such as Probability of Default ("PD"), and supports mainly the credit approval process while it is also utilized for pricing, ICAAP calculation, reporting and provision purposes. The rules for classifying customers (obligors) into rating grades are set out in detail in the Corporate Credit Policy. In brief, NBG's Obligor Risk Rating (ORR) scale contains 21 grades, 19 of which correspond to borrowers who are not in default and 2 to borrowers who are in default. Different exposures against the same borrower receive the same rating grade, regardless of the specificities of various characteristics of credit (e.g. type of facility, collateral provided, etc.). The rating procedure is carried out at least annually or earlier in cases where new information or new financial data has arisen and may affect the risk undertaken. The Bank uses four models to assess the creditworthiness of corporate obligors. All of these models, are hosted on the Risk Analyst™ (RA) platform, developed by Moody's. Corporate obligors are assessed via the following models:

1. Corporate Rating Model (CRM): "Hybrid" rating model implemented via Risk Analyst platform (upgraded version of Moody's Risk Advisor software) focusing on companies with full financial data.
2. Expert judgement model: Used for specific type of obligors (such as newly established firms without financial data, construction consortiums, insurance companies, etc.) that cannot be rated by the CRM.
3. Specialised Lending – Slotting Criteria Scorecards: Project and Object Finance credits.
4. Limited Financials Scorecards: Applied to newly founded companies and smaller firms with limited financial data, which keep simplified B-class accounting ledgers (i.e. single entry books).

All these models produce ordinal rankings of obligors (or credits, in the case of project and object finance) in the ORR scale which are then mapped to a unique PD. Models are validated annually and calibrated, whenever necessary.

Apart of the above models, NBG has developed and implemented the Early Warning System (EWS) for its Corporate Clientele; a comprehensive framework that identifies, monitors and manages obligors with credit deterioration at very early stages. EWS was introduced in 2018, and comprises efficient and effective structures, processes and tools to support early arrears management.

With regard to the pricing of the Corporate Obligors, NBG has established a well-defined Risk-Based Pricing (RBP) Framework that is based on fundamental pricing principles and is governed by relevant policies, robust pricing methodologies and tools. NBG's RBP framework covers the new business production as well as the renewal of existing credit relationships for Corporate portfolio. It takes into account the Bank's Risk Appetite Framework (RAF), the current regulatory framework, the international accounting standards and the relevant provision models, the macroeconomic trends, as well as the fair and respectful treatment of all clients. On a regular basis (at least annually) it is reviewed and revised, if deemed necessary.

The universe of all models related to corporate portfolio is presented below.

Credit Risk Models by use, type and portfolio

Model Use	Model Type	Corporate
IFRS 9 Models	PD	1
	EAD	1
	LGD	1
ICAAP (Pillar II)	PD	5
	EAD	
	LGD	
Special Asset Unit (NPL) Models		1
Pricing Models		1
Early Warning System (EWS)		1
Total		11

Retail Portfolio

The management of credit risk in the retail portfolio starts at the approval stage. The underwriting process is centralised which ensures segregation of duties and uniform enforcement of underwriting standards. Every application is assessed using product based application scorecards. Furthermore, throughout the life of each credit, the payment behaviour is regularly monitored, using statistically-developed scorecards. Monthly reports about the quality of each retail loan book are provided by GRCAD for management review and corrective measures are proposed to mitigate and control credit risk, whenever necessary.

The **mortgage** portfolio in particular, is reviewed using more advanced methods since the Bank adopted the A- IRB approach in 2008 for estimating capital requirements against credit risk for mortgage exposures. The Bank's PD model was developed in 2007, and based on more recent re-calibrations, was used for capital calculation purposes under the IRB Approach. Since the Bank's reversion to the Standardized Approach in June 2019, the model is used for Internal Capital (ICAAP) calculation purposes as well as for internal reporting and portfolio monitoring purposes. Any non-defaulted exposure is rated using this PD model on a monthly basis and is classified in one of 10 pools with common risk attributes (Rating pools). Each pool receives a different PD. All defaulted exposures receive a PD of 100%.

Furthermore, an internally developed LGD model for mortgage loans is used mainly for financial reporting purposes, but also for ICAAP, Stress Test and Budget/Business/NPE/Recovery Planning purposes. The model consists of three components; the first component produces curing probabilities taking into account macro-economic factors, the second one estimates recovery rates and the third component incorporates the expected recovered amount from collateral liquidation. Both the aforementioned PD and LGD models are validated annually by the independent Model Validation Unit (MVU) and monitored on a more frequent basis by GRCAD.

As far as loans and advances to **SBL** customers are concerned, the same basic principle of centralised assessment and monitoring is followed as in corporate portfolio. All credit applications are evaluated first, at inception, and then at least once a year and certainly, on credit limits renewal dates. The assessment uses the SBL Model that generates a rating score, which in turn corresponds to a PD. This model is being used by the business units since the end of 2010 and henceforth and was thoroughly revised in 2012 by the addition of an independent "behavioural score" variable. A standard behavioural scorecard examines the customer's behaviour in respect to all of his accounts, both credit and deposit ones, weighs a number of variables accordingly (e.g. delinquencies, limit usage, etc.) and generates automatically a score every month. The addition of a behavioural score led to a significant increase in the predictive power of the SBL Model.

Loans and advances to SBL customers are, like corporate credits, secured by various types of eligible collateral aiming to mitigate credit risk. Such collateral include pledges over business premises or residential real estate, post-dated checks, invoices and other receivables. The LGD model was internally developed in 2011 and was used for capital calculation purposes under the Internal Ratings Approach (IRB). Since June 2019, where the Bank reverted to the Standardized Approach, the model serves the purposes of monitoring portfolio performance, management reporting, as well as the calculation of internal capital (ICAAP). The model estimates the percentage loss in case of default for each borrower and consists of two modules, that is **a.** the estimation of the probability of transferring to denouncement status (NPL status) and **b.** the estimation of recovery rate since the date of the denouncement

As in the Corporate Portfolio, NBG implements an Early Warning System for its retail population (incl. Mortgage, Consumer & SBL), aiming at identifying possible credit losses at a very early stage. The framework is supported by the appropriate procedures documentation and tools for achieving effective early arrears management.

As far as the pricing is concerned, a well-established Risk-Based Pricing (RBP) Framework is also implemented for the retail clientele, governed by relevant policies, robust pricing methodologies and tools.

The universe of all models related to retail portfolio is presented below.

Credit Risk Models by use, type and portfolio

Model Use	Model Type	Mortgages	Consumer Term Loans	Credit Cards & Open Loans	Retail SME	Total
IFRS 9 Models	PD	1	1	1	1	**4**
	EAD			1	1	**2**
	LGD	1	1	1	1	**4**
ICAAP (Pillar II)	PD	1			3	**4**
	EAD				1	**1**
	LGD	1			1	**2**
Special Asset Unit (NPL) Models					1	**1**
Pricing Models		1	1	1	1	**4**
Early Warning System (EWS)		1	1	2	1	**5**
Score cards	Application	1	2	2		**5**
	Behavioral	3	2	6		**11**
Total		**10**	**8**	**14**	**11**	**43**

4.2.5 Concentration risk management

The Bank manages the extension of credit, controls its exposure to credit risk and ensures its regulatory compliance based on an internal limits system. The process for managing concentration risk is described in the Risk Management section of the Board of Directors Report, under Management of Risks | Concentration Risk.

4.2.6 Impairment of amortised cost and FVTOCI financial assets

An ECL allowance is recognised for all financial assets measured at amortised cost, debt financial assets measured at FVTOCI, lease receivables, financial guarantee contracts and certain loan commitments that meet the financial instrument definition. The Bank has established a policy for impairment of financial instruments under IFRS 9 (the "Impairment Policy"), which also applies to all subsidiaries and establishes guidelines on measurement of ECL. The Group's accounting policies on recognition and measurement of ECL are described in Note 2.7.7. Based on the Impairment Policy, the Group's Financial Assets Impairment Provision and Write-off Committee is responsible for:

- Reviewing that impairment provisions on all financial assets and off-balance sheet commitments within the scope of IFRS 9 are made in accordance with the Impairment Policy.
- Approving the macroeconomic scenarios and the probability weights assigned to each scenario.
- Reviewing and approving the amount of impairment provisions which have been estimated either on an individual basis by the Corporate Divisions, or on a collective basis by the dedicated ECL calculation system.
- Reporting to the BRC, the amount of impairment provision for annual and interim, separate and consolidated financial statements.
- Ensuring compliance with the approved procedures for calculating financial assets impairment provision.
- Reporting to the BRC and the Audit Committee changes in the credit risk parameters used in the ECL allowance calculation.

4.2.6.1 Definition of default

The Group has aligned the definition of default for financial reporting purposes, with the NPE definition used for regulatory purposes, as per the EBA ITS, thus a financial asset is considered as credit impaired, and is classified into stage 3, when it is classified as NPE in accordance with the Group's NPE and Forbearance Classification Policy. Exposures, which are not held for trading, are classified as NPE, when:

- The obligor is classified as defaulted for regulatory purposes in accordance with Article 178 of Regulation (EU) No 575/2013 and the Bank's Corporate and Retail Banking Credit Policies; or
- have material amounts which are more than 90 days past due. In case of credit cards, the exposure is considered non-performing in case of more than three (3) unpaid monthly instalments; or
- have been classified as Forborne NPE, according to the EBA ITS.

A commitment is regarded as NPE if, when withdrawn or otherwise used, it would lead to exposures that present a risk of not being paid back in full without realisation of collateral. Financial guarantees written by the Bank are regarded as NPE for their nominal value when the financial guarantee is at risk of being called by the holder of the guarantee, including, in particular, when the underlying guaranteed exposure meets the criteria to be considered as NPE.

A debt security is considered as credit impaired under an objective approach, and classified into stage 3, when at least one payment of capital or interest is overdue by the issuer, based on the contractual terms of the instrument, irrespective of the days past due. In addition, a debt security is assessed as credit impaired if there is at least one external credit rating on the security or the issuer (if no external rating on the security is available) corresponding to Default or Selective Default.

4.2.6.2 Significant increase of credit risk (SICR)

A non-credit impaired asset is classified in Stage 2 if it has suffered a SICR, otherwise it is classified in Stage 1. An assessment of whether credit risk has increased significantly since initial recognition is performed at each reporting period by considering the change in the risk of default occurring over the remaining life of the financial instrument. The assessment compares the risk of default occurring at the reporting date compared with that at initial recognition, taking into account reasonable and supportable information, including information about past events, current conditions and future economic conditions. The assessment is unbiased, probability-weighted, and to the extent relevant, uses forward-looking information consistent with that used in the measurement of ECL.

The Bank assesses SICR, in accordance with the Impairment Policy, which includes three main components:

- a quantitative element, i.e. reflecting a quantitative comparison of PD or credit rating at the reporting date versus the respective metric at initial recognition.
- a qualitative element, that is all Forborne Performing Exposures (FPE) and internal watch list for corporate obligors; and
- "Backstop" indicators. The Group applies on all lending exposures the IFRS 9 presumption that a SICR has occurred when the financial asset is more than 30 days past due.

4.2.6.3 Movement of financial assets to Stage 1

Financial assets are transferred back to Stage 1 when the SICR criteria are no longer met.

4.2.6.4 ECL measurement period

On term loans, the period of exposure over which lifetime ECL is measured, is based on the maximum contractual period over which the Bank is exposed to credit risk. For revolving lending exposures, judgment is applied to estimate the period over which the Bank is exposed to credit risk. This applies to credit card limits and overdraft accounts, which do not have a defined contractual maturity date, are callable on demand and where the drawn and undrawn components are managed as one unit. The ECL measurement period is capped at 12 months for Stage 1 balances.

4.2.6.5 Forward-looking information

ECL measurement incorporates forward-looking information (FLI). The Group selects forward-looking scenarios and assesses the suitability of respective weights to be applied. Each of the scenarios - and the respective weight - is derived on the basis of a widely used statistical methodology, combining information from official sources and an econometric model describing the empirical process of Greece's GDP growth as a function of a minimum set of forward-looking information. The selected scenarios for GDP growth and the related weights are approved by the Management and used to produce conditional forecasts for all the other macro variables (FLIs). More specifically, the Bank applies three forward-looking macroeconomic scenarios, i.e. baseline, optimistic and pessimistic, with a probability weighting of 55%, 20% and 25%, respectively, developed by the Economic Analysis Division on a quarterly basis. The macroeconomic scenarios and the respective weights are approved by the Group's Financial Assets Impairment Provision and Write-off Committee and validated by the MVU at least on an annual basis. The macroeconomic scenarios used for measuring ECL are the same with the ones used for evaluating SICR.

The macroeconomic variables utilised by the Bank relate to Greek economic factors and the ECL allowance is mainly driven by the changes in gross domestic product (GDP) and house price index (HPI). The annual average 2020-2024 forecasts for each key variable and macroeconomic scenario are the following:

	Baseline	Optimistic	Pessimistic
GDP growth rate	1.8%	4.4%	-0.8%
HPI growth	3.4%	6.6%	0.2%

The ECL allowance is sensitive to changes in forward-looking scenarios of the aforementioned macroeconomic variables. Given that the Group's allowance is mainly driven by the Bank, the Management assessed and considered the sensitivity of the Bank's ECL allowance on loans and advances to customers against reasonably possible changes in these specific variables, compared to the FLI scenarios utilised in the ECL measurement as of 31 December 2019. The sensitivity analysis was performed assuming a "favourable" and an "adverse" shift in the three FLI scenarios for GDP and HPI growth, while retaining the same probability weights assigned to each scenario (i.e. 55%, 20% and 25% for the baseline, optimistic and pessimistic scenarios, respectively). For GDP growth forecasts, a complete re-estimation of all modelled macroeconomic variables (including the HPI) was performed conditioned on the aforementioned "favourable" and "adverse" variations of the original FLI scenarios, since GDP plays a pivotal role in the modelling of all other variables, while an additional sensitivity analysis focusing exclusively on the HPI growth was performed keeping all other macroeconomic variables constant to their original values.

The alternative scenarios were applied to the full trajectory of GDP growth and HPI, 2020-2050. The average deviation assumed in the mid-term horizon (2020-2023) for each macroeconomic variable and scenario is the following:

	Change compared to FLI scenarios utilized in the ECL measurement as of 31 December 2019, expressed in percentage points		
Alternative scenario assumed	Baseline	Optimistic	Pessimistic
Higher GDP	+1.0	+1.0	+1.0
Lower GDP	-1.0	-1.0	-1.0
Higher HPI	+1.0	+1.0	+1.0
Lower HPI	-1.0	-1.0	-1.0

The following table includes the ECL impact for each of the alternative scenarios assumed, which is expressed as a percentage of the Bank's ECL allowance on loans and advances to customers as of 31 December 2019. The ECL impact should be read in the context of the sensitivity analysis as a whole, in conjunction with the narrative disclosures provided above.

Alternative scenario assumed	ECL impact
Higher GDP	-2.6%
Lower GDP	+2.6%
Higher HPI	-0.8%
Lower HPI	+0.9%

4.2.6.6 Model risk inherent in the IFRS 9 models

Compliance with the impairment requirements of IFRS 9 requires the use of a variety of models. The complexity of the models as well as dependency to other model-based inputs is high, therefore any changes in inputs and data (e.g. ORRs, behavioral scores etc.), as well as new or revised models, may significantly affect ECL. The models are validated by the Bank's Model Validation Unit (MVU), in accordance with the Group's Model Validation Framework. The Bank's Credit Risk Model Development and Validation Policy, includes specific tests and metrics that the MVU applies for performing the quantitative validation of the following models and methodologies:

- PD, LGD and CCF models
- SICR and ECL methodology
- FLI macroeconomic models

The model validation tests address all key aspects of the models i.e. discriminatory power, calibration accuracy, segmentation accuracy, representativeness and stability.

4.2.7 Maximum exposure to credit risk before collateral held or other credit enhancements

The following table represents a worst case scenario of credit risk exposure of the Group and the Bank at 31 December 2019 and 2018, without taking account of any collateral held or other credit enhancements attached.

For on-balance sheet assets, the exposures set out below are based on net carrying amounts as reported in the Statement of Financial Position:

Maximum exposure to credit risk before collaterals held or other credit enhancements

	Group		Bank	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Due from banks (see Note 18)	2,974	2,587	2,902	2,507
Trading Securities (see Note 19)	419	4,482	419	4,482
Derivative financial instruments (see Note 20)	4,833	3,791	4,833	3,791
Loans and advances to customers (see Note 21)	29,181	30,134	27,911	29,103
Investment securities (see Note 22)	8,772	4,313	8,471	4,113
Other assets (see Note 28)	2,067	1,530	1,991	1,408
Credit commitments (see Note 35)*	3,084	3,039	3,364	3,641
Total	**51,330**	**49,876**	**49,891**	**49,045**

At 31 December 2019, commitments to extend credit include amounts, which cannot be cancelled without certain conditions being met at any time and without notice, or for which automatic cancellation due to credit deterioration of the borrower is not allowed. The total commitments to extend credit at 31 December 2019 amount to €6,419 million for the Group (2018: €6,350 million) and to €5,753 million for the Bank (2018: €6,027 million).

4.2.8 Collateral and other credit enhancements

Counterparty credit risk

The Group's counterparty credit risk management processes are described in the Risk Management section of the Board of Directors Report, under Management of Risks | Counterparty Credit Risk.

Loans and advances to customers

The most common practice used by the Group to mitigate credit risk with respect to loans and advances to customers is receiving collateral. The Group implements guidelines on the eligibility of specific types of collateral, as described in Corporate and Retail Credit Policy documents. In the same documents, eligible types of collateral for regulatory purposes (funded and unfunded credit risk mitigation techniques), are also presented.

The main collateral types for loans and advances to customers are:

Real Estate Collaterals

- Residential real estate,
- Commercial real estate,
- Industrial real estate

Financial Collaterals

- Cash collaterals,
- Assigned receivables,
- Pledges over financial instruments, such as debt securities and equities;

Other Collaterals

- State guarantees, vessels, equipment, inventory, and other collateral.

Guarantees received

- Personal, corporate, public entities, local authorities and other guarantees.

The Bank has internally developed a Collateral Management System in order to upgrade the control and monitoring of collaterals received for both corporate and retail loans, as well as to fulfil the requirements arising from the regulatory framework. The user of the system is able to retrieve information regarding collateral at different aggregation levels, to monitor all useful aspects of collateral in order to preserve adequate coverage as well as automatically calculate required haircuts on the collateral values.

Furthermore, the Collateral Management System is designed so as to provide information regarding exposure per guarantor in the case of credit guarantees. The basic types of credit guarantees are:

Bank Guarantees

This guarantee is deemed an acceptable form of unfunded credit protection and takes the form of a Letter of Credit (L/C) or a Letter of Guarantee (L/G) from Financial Institutions, domestically and abroad.

State Guarantee

This guarantee is considered as equivalent to the pledge on a liquid asset only if it is direct, explicit, irrevocable and unconditional, hence no external factors could affect the substance of coverage.

Guarantee by ETEAN Fund (formerly known as TEMPME)

This guarantee is considered as equivalent to the pledge on a liquid asset if the decision of the ETEAN Fund does not include conditions and special clauses concerning factors beyond the Bank's control.

Longer-term finance and lending to corporate entities are generally secured. Revolving credit facilities to individuals are generally unsecured. In addition, in order to mitigate the potential credit loss, the Group will seek additional collateral from the counterparty as soon as impairment indicators are noticed for the relevant individual loans and advances to customers. Debt securities, treasury and other eligible bills are generally unsecured.

Valuation of collateral

According to the Bank's Credit Policy, the existence and value of collateral is closely monitored. The frequency and the objective of the appraisals are determined by the approval responsible parties and do not usually exceed an interval of two years. Real estate collateral valuations are coordinated by the Technical Services Department of Bank, which is independent from Retail and Corporate divisions. The valuations are performed by individuals or a firm who possesses the necessary qualifications, ability and experience to execute a valuation in an objective, unbiased and competent manner, appointed by the Department. Regarding domestic retail Lending, the value of all residential collaterals is annually adjusted based on an independent published Greek property index (Propindex).

In addition, according to the Group impairment methodology, Bank units that are responsible for the impairment assessment of Corporate and SBL portfolios have to ensure that in cases where cash flows are expected from collateral liquidation, collateral value has to be based on a recent (within the current year) independent appraisal from a qualified appraiser, unless loan exposures are significantly lower than the collateral values.

When the value of the collateralised property exceeds the loan balance, the value of collateral is capped to the loan balance before ECL allowance. A breakdown of collateral and guarantees received to mitigate credit risk exposure arising from loans and advances to customers is summarised as follows:

Breakdown of collateral and guarantees - Group

	31.12.2019					31.12.2018				
	Value of collateral received					Value of collateral received				
	Real estate collateral	Financial collateral	Other collateral	Total collateral value	**Guarantees received**	Real estate collateral	Financial collateral	Other collateral	Total collateral value	**Guarantees received**
Retail Lending	12,940	223	877	14,040	8,800	14,148	201	980	15,329	10,316
Corporate Lending	4,012	1,386	2,794	8,192	7,074	4,606	1,202	3,388	9,196	8,138
Public Sector Lending	41	14	23	78	12	67	12	28	107	25
Total	**16,993**	**1,623**	**3,694**	**22,310**	**15,886**	**18,821**	**1,415**	**4,396**	**24,632**	**18,479**

Breakdown of collateral and guarantees for Credit impaired assets - Group

	31.12.2019					31.12.2018				
	Value of collateral received					Value of collateral received				
	Real estate collateral	Financial collateral	Other collateral	Total collateral value	**Guarantees received**	Real estate collateral	Financial collateral	Other collateral	Total collateral value	**Guarantees received**
Retail Lending	5,388	33	183	5,604	4,107	6,294	38	171	6,503	5,308
Corporate Lending	1,429	150	304	1,883	1,788	2,379	424	486	3,289	3,368
Public Sector Lending	16	-	1	17	7	47	-	1	48	22
Total	**6,833**	**183**	**488**	**7,504**	**5,902**	**8,720**	**462**	**658**	**9,840**	**8,698**

Breakdown of collateral and guarantees - Bank

	31.12.2019					31.12.2018				
	Value of collateral received					Value of collateral received				
	Real estate collateral	Financial collateral	Other collateral	Total collateral value	**Guarantees received**	Real estate collateral	Financial collateral	Other collateral	Total collateral value	**Guarantees received**
Retail Lending	12,658	198	821	13,677	8,800	13,849	182	926	14,957	10,316
Corporate Lending	3,417	944	2,545	6,906	7,013	4,047	915	2,783	7,745	8,102
Public Sector Lending	41	14	23	78	12	66	12	28	106	25
Total	**16,116**	**1,156**	**3,389**	**20,661**	**15,825**	**17,962**	**1,109**	**3,737**	**22,808**	**18,443**

Breakdown of collateral and guarantees for Credit impaired assets - Bank

	31.12.2019					31.12.2018				
	Value of collateral received					Value of collateral received				
	Real estate collateral	Financial collateral	Other collateral	Total value of collateral	**Guarantees received**	Real estate collateral	Financial collateral	Other collateral	Total value of collateral	**Guarantees received**
Retail Lending	5,377	32	171	5,580	4,107	6,241	37	165	6,443	5,308
Corporate Lending	1,192	117	264	1,573	1,787	2,027	222	458	2,707	3,368
Public Sector Lending	16	-	1	17	7	47	-	1	48	22
Total	**6,585**	**149**	**436**	**7,170**	**5,901**	**8,315**	**259**	**624**	**9,198**	**8,698**

Loan to Value (LTV) Ratio of Mortgage portfolio

Loan to Value Ratio is the relationship between the loan and the appraised value of the property held as collateral. A breakdown of mortgages by range of LTV is summarised as follows:

	Group				Bank			
	31.12.2019	of which: Credit Impaired	31.12.2018	of which: Credit Impaired	31.12.2019	of which: Credit Impaired	31.12.2018	of which: Credit Impaired
Less than 50%	1,859	288	1,784	256	1,785	287	1,701	244
50%-70%	1,968	463	1,988	419	1,887	461	1,909	412
71%-80%	1,217	393	1,166	350	1,193	392	1,143	346
81%-90%	1,195	461	1,143	412	1,193	461	1,141	410
91%-100%	1,388	469	1,437	419	1,388	469	1,436	417
101%-120%	1,848	836	1,989	892	1,848	836	1,988	891
121%-150%	2,080	1,163	2,552	1,463	2,080	1,163	2,549	1,461
Greater than 150%	2,948	2,307	3,736	2,871	2,944	2,307	3,723	2,862
Total exposure	**14,503**	**6,380**	**15,795**	**7,082**	**14,318**	**6,376**	**15,590**	**7,043**
Average LTV	**105.5%**	**129.7%**	**110.7%**	**133.9%**	**105.5%**	**129.7%**	**110.7%**	**133.9%**

4.2.9 Credit quality of loans and advances to customers at amortised cost

4.2.9.1 Credit quality of loans and advances to customers at amortised cost by range of probability of default

A breakdown of the portfolio by range of probability of default for the Group is summarized as follows:

As at 31 December 2019	Mortgages				Consumer loans			
12-month PD	Stage 1	Stage 2	Credit impaired	Total	Stage 1	Stage 2	Credit impaired	Total
0.01% - 2%	3,720	580	-	**4,300**	543	156	-	**699**
2.01% - 10%	813	1,854	-	**2,667**	710	148	-	**858**
10.01% - 20%	609	279	-	**888**	38	43	-	**81**
20.01% and above	-	268	6,380	**6,648**	1	27	656	**684**
Total Gross carrying amount	**5,142**	**2,981**	**6,380**	**14,503**	**1,292**	**374**	**656**	**2,322**

As at 31 December 2019	Credit cards				Small Business Lending			
12-month PD	Stage 1	Stage 2	Credit impaired	Total	Stage 1	Stage 2	Credit impaired	Total
0.01% - 2%	363	2	-	**365**	289	121	-	**410**
2.01% - 10%	121	11	-	**132**	100	97	-	**197**
10.01% - 20%	-	-	-	**-**	15	108	-	**123**
20.01% and above	-	-	42	**42**	24	336	988	**1,348**
Total Gross carrying amount	**484**	**13**	**42**	**539**	**428**	**662**	**988**	**2,078**

As at 31 December 2019	Corporate Lending				Public Sector			
12-month PD	Stage 1	Stage 2	Credit impaired	Total	Stage 1	Stage 2	Credit impaired	Total
0.01% - 2%	10,400	299	-	**10,699**	328	1	-	**329**
2.01% - 10%	987	200	-	**1,187**	1	18	-	**19**
10.01% - 20%	37	104	-	**141**	-	1	-	**1**
20.01% and above	2	170	2,767	**2,939**	-	16	38	**54**
Total Gross carrying amount	**11,426**	**773**	**2,767**	**14,966**	**329**	**36**	**38**	**403**

As at 31 December 2019	Total Loans			
12-month PD	Stage 1	Stage 2	Credit impaired	Total
0.01% - 2%	15,643	1,159	-	**16,802**
2.01% - 10%	2,732	2,328	-	**5,060**
10.01% - 20%	699	535	-	**1,234**
20.01% and above	27	817	10,871	**11,715**
Total Gross carrying amount	**19,101**	**4,839**	**10,871**	**34,811**

As at 31 December 2018	Mortgages				Consumer loans			
12-month PD	Stage 1	Stage 2	Credit impaired	Total	Stage 1	Stage 2	Credit impaired	Total
0.01% - 2%	1,837	1,988	-	**3,825**	565	141	-	**706**
2.01% - 10%	656	2,598	-	**3,254**	689	238	-	**927**
10.01% - 20%	693	3	-	**696**	46	53	-	**99**
20.01% and above	2	936	7,082	**8,020**	2	15	1,338	**1,355**
Total Gross carrying amount	**3,188**	**5,525**	**7,082**	**15,795**	**1,302**	**447**	**1,338**	**3,087**

As at 31 December 2018	Credit cards				Small Business Lending			
12-month PD	Stage 1	Stage 2	Credit impaired	Total	Stage 1	Stage 2	Credit impaired	Total
0.01% - 2%	364	3	-	**367**	295	122	-	**417**
2.01% - 10%	132	5	-	**137**	103	103	-	**206**
10.01% - 20%	3	5	-	**8**	24	134	-	**158**
20.01% and above	-	-	156	**156**	5	313	1,994	**2,312**
Total Gross carrying amount	**499**	**13**	**156**	**668**	**427**	**672**	**1,994**	**3,093**

As at 31 December 2018	Corporate Lending				Public Sector			
12-month PD	Stage 1	Stage 2	Credit impaired	Total	Stage 1	Stage 2	Credit impaired	Total
0.01% - 2%	7,221	122	-	**7,343**	264	1	-	**265**
2.01% - 10%	2,800	167	-	**2,967**	85	1	-	**86**
10.01% - 20%	65	341	-	**406**	1	1	-	**2**
20.01% and above	31	161	5,464	**5,656**	-	6	93	**99**
Total Gross carrying amount	**10,117**	**791**	**5,464**	**16,372**	**350**	**9**	**93**	**452**

As at 31 December 2018	Total Loans			
12-month PD	Stage 1	Stage 2	Credit impaired	Total
0.01% - 2%	10,546	2,377	-	**12,923**
2.01% - 10%	4,465	3,112	-	**7,577**
10.01% - 20%	832	537	-	**1,369**
20.01% and above	40	1,431	16,127	**17,598**
Total Gross carrying amount	**15,883**	**7,457**	**16,127**	**39,467**

A breakdown of the portfolio by range of probability of default for the Bank is summarized as follows:

As at 31 December 2019	Mortgages				Consumer loans			
12-month PD	Stage 1	Stage 2	Credit impaired	Total	Stage 1	Stage 2	Credit impaired	Total
0.01% - 2%	3,556	579	-	**4,135**	368	156	-	**524**
2.01% - 10%	813	1,841	-	**2,654**	437	135	-	**572**
10.01% - 20%	609	277	-	**886**	7	32	-	**39**
20.01% and above	-	267	6,376	**6,643**	-	3	616	**619**
Total Gross carrying amount	**4,978**	**2,964**	**6,376**	**14,318**	**812**	**326**	**616**	**1,754**

As at 31 December 2019	Credit cards				Small Business Lending			
12-month PD	Stage 1	Stage 2	Credit impaired	Total	Stage 1	Stage 2	Credit impaired	Total
0.01% - 2%	302	2	-	**304**	258	121	-	**379**
2.01% - 10%	121	10	-	**131**	52	95	-	**147**
10.01% - 20%	-	-	-	**-**	15	105	-	**120**
20.01% and above	-	-	38	**38**	24	324	942	**1,290**
Total Gross carrying amount	**423**	**12**	**38**	**473**	**349**	**645**	**942**	**1,936**

As at 31 December 2019	Corporate Lending				Public Sector			
12-month PD	Stage 1	Stage 2	Credit impaired	Total	Stage 1	Stage 2	Credit impaired	Total
0.01% - 2%	10,549	288	-	**10,837**	327	1	-	**328**
2.01% - 10%	777	176	-	**953**	1	18	-	**19**
10.01% - 20%	37	64	-	**101**	-	1	-	**1**
20.01% and above	2	69	2,501	**2,572**	-	16	38	**54**
Total Gross carrying amount	**11,365**	**597**	**2,501**	**14,463**	**328**	**36**	**38**	**402**

As at 31 December 2019	Total Loans			
12-month PD	Stage 1	Stage 2	Credit impaired	Total
0.01% - 2%	15,360	1,147	-	**16,507**
2.01% - 10%	2,201	2,275	-	**4,476**
10.01% - 20%	668	479	-	**1,147**
20.01% and above	26	679	10,511	**11,216**
Total Gross carrying amount	**18,255**	**4,580**	**10,511**	**33,346**

As at 31 December 2018	Mortgages				Consumer loans			
12-month PD	Stage 1	Stage 2	Credit impaired	Total	Stage 1	Stage 2	Credit impaired	Total
0.01% - 2%	1,694	1,988	-	**3,682**	316	141	-	**457**
2.01% - 10%	646	2,588	-	**3,234**	496	237	-	**733**
10.01% - 20%	693	3	-	**696**	15	49	-	**64**
20.01% and above	1	934	7,043	**7,978**	-	-	1,281	**1,281**
Total Gross carrying amount	**3,034**	**5,513**	**7,043**	**15,590**	**827**	**427**	**1,281**	**2,535**

As at 31 December 2018	Credit cards				Small Business Lending			
12-month PD	Stage 1	Stage 2	Credit impaired	**Total**	Stage 1	Stage 2	Credit impaired	**Total**
0.01% - 2%	304	3	-	**307**	271	121	-	**392**
2.01% - 10%	129	5	-	**134**	53	100	-	**153**
10.01% - 20%	3	4	-	**7**	23	131	-	**154**
20.01% and above	-	-	150	**150**	5	303	1,936	**2,244**
Total Gross carrying amount	**436**	**12**	**150**	**598**	**352**	**655**	**1,936**	**2,943**

As at 31 December 2018	Corporate Lending				Public Sector			
12-month PD	Stage 1	Stage 2	Credit impaired	**Total**	Stage 1	Stage 2	Credit impaired	**Total**
0.01% - 2%	7,888	116	-	**8,004**	262	1	-	**263**
2.01% - 10%	2,515	124	-	**2,639**	86	1	-	**87**
10.01% - 20%	57	303	-	**360**	1	1	-	**2**
20.01% and above	2	58	4,702	**4,762**	-	6	93	**99**
Total Gross carrying amount	**10,462**	**601**	**4,702**	**15,765**	**349**	**9**	**93**	**451**

As at 31 December 2018	Total Loans			
12-month PD	Stage 1	Stage 2	Credit impaired	**Total**
0.01% - 2%	10,735	2,370	-	**13,105**
2.01% - 10%	3,925	3,055	-	**6,980**
10.01% - 20%	792	491	-	**1,283**
20.01% and above	8	1,301	15,205	**16,514**
Total Gross carrying amount	**15,460**	**7,217**	**15,205**	**37,882**

4.2.9.2 Ageing analysis of loans and advances to customers at amortised cost

Ageing analysis of loans and advances to customers at amortised cost - Group

	Mortgages				Consumer loans			
As at 31 December 2019	Stage 1	Stage 2	Credit impaired	Total	Stage 1	Stage 2	Credit impaired	Total
Current	4,870	2,181	945	**7,996**	1,144	301	83	**1,528**
1-30 days	272	594	361	**1,227**	148	45	26	**219**
31-60 days	-	144	247	**391**	-	20	21	**41**
61-90 days	-	62	152	**214**	-	8	16	**24**
91-180 days	-	-	289	**289**	-	-	38	**38**
Past due over 180 days	-	-	4,386	**4,386**	-	-	472	**472**
Gross Balance 31.12.2019	**5,142**	**2,981**	**6,380**	**14,503**	**1,292**	**374**	**656**	**2,322**
ECL allowance	(32)	(110)	(2,408)	**(2,550)**	(21)	(70)	(456)	**(547)**
Net carrying amount as at 31.12.2019	**5,110**	**2,871**	**3,972**	**11,953**	**1,271**	**304**	**200**	**1,775**

	Credit cards				Small Business Lending			
As at 31 December 2019	Stage 1	Stage 2	Credit impaired	Total	Stage 1	Stage 2	Credit impaired	Total
Current	446	3	-	**449**	389	492	97	**978**
1-30 days	38	2	-	**40**	39	148	53	**240**
31-60 days	-	6	-	**6**	-	13	10	**23**
61-90 days	-	2	-	**2**	-	9	6	**15**
91-180 days	-	-	10	**10**	-	-	34	**34**
Past due over 180 days	-	-	32	**32**	-	-	788	**788**
Gross Balance 31.12.2019	**484**	**13**	**42**	**539**	**428**	**662**	**988**	**2,078**
ECL allowance	(4)	(1)	(39)	**(44)**	(5)	(88)	(707)	**(800)**
Net carrying amount as at 31.12.2019	**480**	**12**	**3**	**495**	**423**	**574**	**281**	**1,278**

Notes to the Financial Statements
Group and Bank

As at 31 December 2019	Large				SMEs			
	Stage 1	Stage 2	Credit impaired	Total	Stage 1	Stage 2	Credit impaired	Total
Current	7,994	357	654	**9,005**	2,425	219	237	**2,881**
1-30 days	718	72	176	**966**	289	77	137	**503**
31-60 days	-	11	5	**16**	-	14	26	**40**
61-90 days	-	6	61	**67**	-	17	14	**31**
91-180 days	-	-	34	**34**	-	-	23	**23**
Past due over 180 days	-	-	587	**587**	-	-	813	**813**
Gross Balance 31.12.2019	**8,712**	**446**	**1,517**	**10,675**	**2,714**	**327**	**1,250**	**4,291**
ECL allowance	(64)	(26)	(1,006)	**(1,096)**	(21)	(21)	(643)	**(685)**
Net carrying amount as at 31.12.2019	**8,648**	**420**	**511**	**9,579**	**2,693**	**306**	**607**	**3,606**

As at 31 December 2019	Public Sector				Total Loans			
	Stage 1	Stage 2	Credit impaired	Total	Stage 1	Stage 2	Credit impaired	Total
Current	327	35	21	**383**	17,595	3,588	2,037	**23,220**
1-30 days	2	1	-	**3**	1,506	939	753	**3,198**
31-60 days	-	-	-	**-**	-	208	309	**517**
61-90 days	-	-	-	**-**	-	104	249	**353**
91-180 days	-	-	-	**-**	-	-	428	**428**
Past due over 180 days	-	-	17	**17**	-	-	7,095	**7,095**
Gross Balance 31.12.2019	**329**	**36**	**38**	**403**	**19,101**	**4,839**	**10,871**	**34,811**
ECL allowance	(3)	(9)	(23)	**(35)**	(150)	(325)	(5,282)	**(5,757)**
Net carrying amount as at 31.12.2019	**326**	**27**	**15**	**368**	**18,951**	**4,514**	**5,589**	**29,054**

As at 31 December 2018	Mortgages				Consumer loans			
	Stage 1	Stage 2	Credit impaired	Total	Stage 1	Stage 2	Credit impaired	Total
Current	3,057	4,446	820	**8,323**	1,193	362	121	**1,676**
1-30 days	131	812	328	**1,271**	95	47	34	**176**
31-60 days	-	185	270	**455**	-	29	35	**64**
61-90 days	-	82	196	**278**	-	9	32	**41**
91-180 days	-	-	337	**337**	-	-	58	**58**
Past due over 180 days	-	-	5,131	**5,131**	14	-	1,058	**1,072**
Gross Balance 31.12.2018	**3,188**	**5,525**	**7,082**	**15,795**	**1,302**	**447**	**1,338**	**3,087**
ECL allowance	(36)	(208)	(2,734)	**(2,978)**	(21)	(83)	(1,053)	**(1,157)**
Net carrying amount as at 31.12.2018	**3,152**	**5,317**	**4,348**	**12,817**	**1,281**	**364**	**285**	**1,930**

As at 31 December 2018	Credit cards				Small Business Lending			
	Stage 1	Stage 2	Credit impaired	Total	Stage 1	Stage 2	Credit impaired	Total
Current	454	2	-	**456**	398	477	146	**1,021**
1-30 days	45	1	-	**46**	29	167	69	**265**
31-60 days	-	7	-	**7**	-	20	15	**35**
61-90 days	-	3	-	**3**	-	8	10	**18**
91-180 days	-	-	27	**27**	-	-	41	**41**
Past due over 180 days	-	-	129	**129**	-	-	1,713	**1,713**
Gross Balance 31.12.2018	**499**	**13**	**156**	**668**	**427**	**672**	**1,994**	**3,093**
ECL allowance	(5)	(1)	(156)	**(162)**	(4)	(77)	(1,469)	**(1,550)**
Net carrying amount as at 31.12.2018	**494**	**12**	**-**	**506**	**423**	**595**	**525**	**1,543**

As at 31 December 2018	Large				SMEs			
	Stage 1	Stage 2	Credit impaired	Total	Stage 1	Stage 2	Credit impaired	Total
Current	7,535	290	920	**8,745**	2,247	219	356	**2,822**
1-30 days	159	153	419	**731**	176	65	152	**393**
31-60 days	-	19	70	**89**	-	9	41	**50**
61-90 days	-	14	230	**244**	-	14	31	**45**
91-180 days	-	5	46	**51**	-	-	35	**35**
Past due over 180 days	-	2	1,226	**1,228**	-	1	1,938	**1,939**
Gross Balance 31.12.2018	**7,694**	**483**	**2,911**	**11,088**	**2,423**	**308**	**2,553**	**5,284**
ECL allowance	(53)	(34)	(1,885)	**(1,972)**	(22)	(25)	(1,541)	**(1,588)**
Net carrying amount as at 31.12.2018	**7,641**	**449**	**1,026**	**9,116**	**2,401**	**283**	**1,012**	**3,696**

	Public Sector				Total Loans			
As at 31 December 2018	Stage 1	Stage 2	Credit impaired	Total	Stage 1	Stage 2	Credit impaired	Total
Current	346	8	52	**406**	15,230	5,804	2,415	**23,449**
1-30 days	4	1	2	**7**	639	1,246	1,004	**2,889**
31-60 days	-	-	-	**-**	-	269	431	**700**
61-90 days	-	-	8	**8**	-	130	507	**637**
91-180 days	-	-	-	**-**	-	5	544	**549**
Past due over 180 days	-	-	31	**31**	14	3	11,226	**11,243**
Gross Balance 31.12.2018	**350**	**9**	**93**	**452**	**15,883**	**7,457**	**16,127**	**39,467**
ECL allowance	(3)	-	(56)	**(59)**	(144)	(428)	(8,894)	**(9,466)**
Net carrying amount as at 31.12.2018	**347**	**9**	**37**	**393**	**15,739**	**7,029**	**7,233**	**30,001**

Ageing analysis of loans and advances to customers at amortised cost – Bank

	Mortgages				Consumer loans			
As at 31 December 2019	Stage 1	Stage 2	Credit impaired	Total	Stage 1	Stage 2	Credit impaired	Total
Current	4,717	2,171	945	**7,833**	709	271	81	**1,061**
1-30 days	261	590	361	**1,212**	103	37	26	**166**
31-60 days	-	142	247	**389**	-	13	21	**34**
61-90 days	-	61	152	**213**	-	5	16	**21**
91-180 days	-	-	288	**288**	-	-	35	**35**
Past due over 180 days	-	-	4,383	**4,383**	-	-	437	**437**
Gross Balance 31.12.2019	**4,978**	**2,964**	**6,376**	**14,318**	**812**	**326**	**616**	**1,754**
ECL allowance	(32)	(109)	(2,407)	**(2,548)**	(15)	(66)	(434)	**(515)**
Net carrying amount as at 31.12.2019	**4,946**	**2,855**	**3,969**	**11,770**	**797**	**260**	**182**	**1,239**

	Credit cards				Small Business Lending			
As at 31 December 2019	Stage 1	Stage 2	Credit impaired	Total	Stage 1	Stage 2	Credit impaired	Total
Current	389	4	-	**393**	330	481	92	**903**
1-30 days	34	1	-	**35**	19	146	52	**217**
31-60 days	-	5	-	**5**	-	10	9	**19**
61-90 days	-	2	-	**2**	-	8	5	**13**
91-180 days	-	-	10	**10**	-	-	33	**33**
Past due over 180 days	-	-	28	**28**	-	-	751	**751**
Gross Balance 31.12.2019	**423**	**12**	**38**	**473**	**349**	**645**	**942**	**1,936**
ECL allowance	(3)	(1)	(37)	**(41)**	(4)	(87)	(679)	**(770)**
Net carrying amount as at 31.12.2019	**420**	**11**	**1**	**432**	**345**	**558**	**263**	**1,166**

	Large				SMEs			
As at 31 December 2019	Stage 1	Stage 2	Credit impaired	Total	Stage 1	Stage 2	Credit impaired	Total
Current	8,472	332	645	**9,449**	2,292	176	231	**2,699**
1-30 days	525	32	147	**704**	76	43	111	**230**
31-60 days	-	1	5	**6**	-	5	14	**19**
61-90 days	-	5	61	**66**	-	3	11	**14**
91-180 days	-	-	34	**34**	-	-	22	**22**
Past due over 180 days	-	-	560	**560**	-	-	660	**660**
Gross Balance 31.12.2019	**8,997**	**370**	**1,452**	**10,819**	**2,368**	**227**	**1,049**	**3,644**
ECL allowance	(71)	(21)	(960)	**(1,052)**	(19)	(18)	(564)	**(601)**
Net carrying amount as at 31.12.2019	**8,926**	**349**	**492**	**9,767**	**2,349**	**209**	**485**	**3,043**

	Public Sector				Total Loans			
As at 31 December 2019	Stage 1	Stage 2	Credit impaired	Total	Stage 1	Stage 2	Credit impaired	Total
Current	326	35	19	**380**	17,235	3,470	2,013	**22,718**
1-30 days	2	1	-	**3**	1,020	850	697	**2,567**
31-60 days	-	-	-	**-**	-	176	296	**472**
61-90 days	-	-	-	**-**	-	84	245	**329**
91-180 days	-	-	-	**-**	-	-	422	**422**
Past due over 180 days	-	-	19	**19**	-	-	6,838	**6,838**
Gross Balance 31.12.2019	**328**	**36**	**38**	**402**	**18,255**	**4,580**	**10,511**	**33,346**
ECL allowance	(3)	(9)	(23)	**(35)**	(147)	(311)	(5,104)	**(5,562)**
Net carrying amount as at 31.12.2019	**325**	**27**	**15**	**367**	**18,108**	**4,269**	**5,407**	**27,784**

As at 31 December 2018	Mortgages Stage 1	Stage 2	Credit impaired	Total	Consumer loans Stage 1	Stage 2	Credit impaired	Total
Current	2,917	4,440	818	**8,175**	766	354	121	**1,241**
1-30 days	117	810	328	**1,255**	61	44	34	**139**
31-60 days	-	182	270	**452**	-	22	34	**56**
61-90 days	-	81	195	**276**	-	7	31	**38**
91-180 days	-	-	337	**337**	-	-	54	**54**
Past due over 180 days	-	-	5,095	**5,095**	-	-	1,007	**1,007**
Gross Balance 31.12.2018	**3,034**	**5,513**	**7,043**	**15,590**	**827**	**427**	**1,281**	**2,535**
ECL allowance	(36)	(208)	(2,720)	**(2,964)**	(14)	(80)	(1,023)	**(1,117)**
Net carrying amount as at 31.12.2018	**2,998**	**5,305**	**4,323**	**12,626**	**813**	**347**	**258**	**1,418**

As at 31 December 2018	Credit cards Stage 1	Stage 2	Credit impaired	Total	Small Business Lending Stage 1	Stage 2	Credit impaired	Total
Current	397	2	-	**399**	338	467	144	**949**
1-30 days	39	1	-	**40**	14	165	68	**247**
31-60 days	-	6	-	**6**	-	16	14	**30**
61-90 days	-	3	-	**3**	-	7	10	**17**
91-180 days	-	-	27	**27**	-	-	38	**38**
Past due over 180 days	-	-	123	**123**	-	-	1,662	**1,662**
Gross Balance 31.12.2018	**436**	**12**	**150**	**598**	**352**	**655**	**1,936**	**2,943**
ECL allowance	(5)	(1)	(150)	**(156)**	(3)	(77)	(1,426)	**(1,506)**
Net carrying amount as at 31.12.2018	**431**	**11**	**-**	**442**	**349**	**578**	**510**	**1,437**

As at 31 December 2018	Large Stage 1	Stage 2	Credit impaired	Total	SMEs Stage 1	Stage 2	Credit impaired	Total
Current	8,018	188	859	**9,065**	1,962	165	344	**2,471**
1-30 days	368	162	420	**950**	114	44	142	**300**
31-60 days	-	14	52	**66**	-	3	29	**32**
61-90 days	-	13	215	**228**	-	12	22	**34**
91-180 days	-	-	34	**34**	-	-	28	**28**
Past due over 180 days	-	-	1,061	**1,061**	-	-	1,496	**1,496**
Gross Balance 31.12.2018	**8,386**	**377**	**2,641**	**11,404**	**2,076**	**224**	**2,061**	**4,361**
ECL allowance	(62)	(31)	(1,704)	**(1,797)**	(18)	(20)	(1,275)	**(1,313)**
Net carrying amount as at 31.12.2018	**8,324**	**346**	**937**	**9,607**	**2,058**	**204**	**786**	**3,048**

As at 31 December 2018	Public Sector Stage 1	Stage 2	Credit impaired	Total	Total Loans Stage 1	Stage 2	Credit impaired	Total
Current	345	8	51	**404**	14,743	5,624	2,337	**22,704**
1-30 days	4	1	2	**7**	717	1,227	994	**2,938**
31-60 days	-	-	-	**-**	-	243	399	**642**
61-90 days	-	-	8	**8**	-	123	481	**604**
91-180 days	-	-	-	**-**	-	-	518	**518**
Past due over 180 days	-	-	32	**32**	-	-	10,476	**10,476**
Gross Balance 31.12.2018	**349**	**9**	**93**	**451**	**15,460**	**7,217**	**15,205**	**37,882**
ECL allowance	(3)	-	(56)	**(59)**	(141)	(417)	(8,354)	**(8,912)**
Net carrying amount as at 31.12.2018	**346**	**9**	**37**	**392**	**15,319**	**6,800**	**6,851**	**28,970**

4.2.10 Interest income on loans and advances to customers

Interest income from loans and advances to customers – Group

	31.12.2019		
	Not Credit Impaired Loans	Credit Impaired Loans	Total interest income
Retail Lending	395	193	588
Corporate Lending	511	108	619
Total interest income	**906**	**301**	**1,207**

	31.12.2018		
	Not Credit Impaired Loans	Credit Impaired Loans	Total interest income
Retail Lending	399	202	601
Corporate Lending	491	123	614
Public sector Lending	1	-	1
Total interest income	**891**	**325**	**1,216**

Interest income from loans and advances to customers - Bank

	31.12.2019		
	Not Credit Impaired Loans	Credit Impaired Loans	Total interest income
Retail lending	340	192	532
Corporate Lending	482	99	581
Total interest income	**822**	**291**	**1,113**

	31.12.2018		
	Not Credit Impaired Loans	Credit Impaired Loans	Total interest income
Retail lending	343	201	544
Corporate Lending	466	115	581
Public sector Lending	1	-	1
Total interest income	**810**	**316**	**1,126**

4.2.11 Forbearance

Forbearance measures occur in situations in which the borrower is considered to be unable to meet the terms and conditions of the contract due to financial difficulties. Taking into consideration these difficulties, the Group decides to modify the terms and conditions of the contract to provide the borrower the ability to service the debt or refinance the contract, either totally or partially.

The main restructuring program applied to the mortgage and secured consumer loans' portfolio since April 2019 is the "Split & Settle", a split-balance type of product. Its main characteristic is the separation of the outstanding debt in two parts: the amount to be repaid (Split), which is amortized in monthly instalments (principal plus interest) and the amount to be potentially forgiven (Settle), which remains interest-free. The settle amount is forgiven one month after the end of the repayment period, provided that the contractually agreed conditions, regarding prompt loan repayment, are met. Borrowers, who have applied for protection under bankruptcy Law 3869/2010, are also entitled to participate in this program, as long as they resign from their application.

Furthermore, similar "Split & Settle" programs, with the aforementioned characteristic of debt splitting, have also been introduced since 2018, for the restructuring of SB loans (sole entrepreneurs/ professionals) as well as debt deriving from credit cards and consumer credit products (without collateral).

Finally, the ''Fractional Payment'' forbearance program applied to the Retail portfolio (mortgage, consumer loans, credit cards, SBL) offers instalment reduction through loan term extension combined with a fractional-payment scheme of 72 months (36 months regarding SBL), whereby the customer pays a proportion of the full instalment due, based on affordability.

For Corporate loans, the types of forbearance measures usually include a mix of tailor made solutions to cover current conditions and the borrower's projected cash flows.

The Bank's Credit Policy for both Retail and Corporate portfolios provides clear instructions and guidelines regarding the full range of forbearance products offered to customers, the requirements to be filled for the participation in the said product, the handling and monitoring of restructured loans after approval and until the stage of termination of the loan contract. The approval rights of the Credit Committees are also described in the Bank's Credit Policy.

Forborne loans are separately managed and monitored by Management. For example, re-default trends are closely monitored and analysed in order to identify their drivers. In certain cases, monitoring and assessment of the payment history of modified loans can lead to a modification of the forbearance policy.

Forbearance measures do not lead to derecognition unless changes to the original contractual terms, result in a substantially different loan i.e. the loan is altered in a manner that the terms under the modified contract are substantially different from those under the original contract.

The type of forbearance measures extended are summarized in the following table:

Forborne Loans and Advances to Customers at amortised cost by Type of forbearance measure

	Group		Bank	
Forbearance measures:	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Reduced payment schedule	1,877	2,182	1,877	2,177
Hybrid modifications	1,147	993	1,147	993
Term extension	1,557	2,097	1,420	1,853
Interest only schedule	209	146	208	142
Other type of forbearance measures	497	477	490	471
Total net amount	**5,287**	**5,895**	**5,142**	**5,636**

Credit Quality of Forborne Loans at amortised cost

	Group			Bank		
As at December 2019	Loans and advances to customers	Forborne loans	% of forborne loans	Loans and advances to customers	Forborne loans	% of forborne loans
Stage 1	19,101	-	0%	18,255	-	0%
Stage 2	4,839	2,686	56%	4,580	2,605	57%
Credit impaired	10,871	4,671	43%	10,511	4,549	43%
Exposure before impairment	**34,811**	**7,357**	**21%**	**33,346**	**7,154**	**21%**
ECL allowance - Individual	(1,544)	(657)	43%	(1,399)	(607)	43%
ECL allowance - Collective	(4,213)	(1,413)	34%	(4,163)	(1,405)	34%
Total net amount	**29,054**	**5,287**	**18%**	**27,784**	**5,142**	**19%**
Value of collateral	22,310	5,444	24%	20,661	5,444	26%

As at 31 December 2019, credit-impaired loans and advances to customers at amortised cost subject to forbearance measures include loans with delays less than 90 days.

	Group	Bank
Mortgages	1,687	1,687
Consumer loans	105	105
Small Business Lending	158	158
Corporate Lending	1,017	1,011
Total	**2,967**	**2,961**

	Group			Bank		
As at December 2018	Loans and advances to customers	Forborne loans	% of forborne loans	Loans and advances to customers	Forborne loans	% of forborne loans
Stage 1	15,883	-	0%	15,460	-	0%
Stage 2	7,457	2,570	34%	7,217	2,507	35%
Credit impaired	16,127	6,605	41%	15,205	6,354	42%
Exposure before impairment	**39,467**	**9,175**	**23%**	**37,882**	**8,861**	**23%**
ECL allowance - Individual	(2,920)	(1,235)	42%	(2,600)	(1,205)	46%
ECL allowance - Collective	(6,546)	(2,045)	31%	(6,312)	(2,020)	32%
Total net amount	**30,001**	**5,895**	**20%**	**28,970**	**5,636**	**19%**
Value of collateral	24,632	6,173	25%	22,808	5,926	26%

As at 31 December 2018, credit-impaired loans and advances to customers at amortised cost subject to forbearance measures include loans with delays less than 90 days.

	Group	Bank
Mortgages	1,594	1,594
Consumer loans	177	177
Small Business Lending	229	229
Corporate Lending	1,914	1,822
Total	**3,914**	**3,822**

Movement in forborne loans and advances to customers at amortised cost net of ECL allowance

	Group		Bank	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Opening balance	**5,895**	**6,338**	**5,636**	**6,052**
New forborne assets	714	596	688	548
Interest income	166	263	164	261
Repayments	(568)	(498)	(500)	(426)
Exposures that exited forbearance status	(472)	(550)	(397)	(547)
Write - offs & Sales	(437)	(133)	(437)	(133)
Impairment charge for credit losses	80	(121)	79	(119)
Reclassified as held for sale	(91)	-	(91)	-
Closing balance	**5,287**	**5,895**	**5,142**	**5,636**

Forborne loans and advances to customers at amortised cost net of ECL allowance by product line

	Group		Bank	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Retail Lending	**4,261**	**4,493**	**4,253**	**4,484**
Mortgages	3,692	3,704	3,692	3,704
Consumer loans	285	399	285	399
Small Business Lending	283	390	275	381
Corporate Lending	**992**	**1,369**	**855**	**1,119**
Large	604	954	554	799
SMEs	388	415	301	320
Public Sector Lending	**34**	**33**	**34**	**33**
Total net amount	**5,287**	**5,895**	**5,142**	**5,636**

Forborne loans and advances to customers at amortised cost net of ECL allowance by geographical region

	Group		Bank	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Greece	5,275	5,880	5,142	5,636
SEE	12	15	-	-
Total net amount	**5,287**	**5,895**	**5,142**	**5,636**

4.2.12 Repossessed collateral

As at 31 December 2019, repossessed collateral amounted to €520 million and €333 million for the Group and the Bank respectively (2018: €247 million and €201 million respectively). During 2019, the Group obtained assets by taking possession of collateral held as security of €139 million for the Group and the Bank (2018: €130 million and €122 million respectively).

Almost all repossessed assets relate to properties. Repossessed properties are sold as soon as practicable. Repossessed assets are classified in the Statement of Financial Position within other assets, except for those properties that are held for capital appreciation or rental income, which are classified within Investment Property.

4.2.13 Credit risk concentration of loans and advances to customers at amortised cost and credit commitments

The credit risk concentration of the Group and the Bank's loans and advances to customers at amortised cost and credit commitments by geographical and industry sector is summarised in the following tables:

Loans and advances to customers at amortised cost, credit impaired loans and ECL allowance by product line, industry and geographical region – Group

	Greece			South East			Other countries			Total		
As at 31 December 2019	Gross	Credit impaired	ECL allowance	Gross	Credit impaired	ECL allowance	Gross	Credit impaired	ECL allowance	Gross	Credit impaired	ECL allowance
Retail lending	**18,575**	**8,015**	**(3,903)**	**867**	**51**	**(38)**	**-**	**-**	**-**	**19,442**	**8,066**	**(3,941)**
Mortgage	14,318	6,376	(2,548)	185	4	(2)	-	-	-	14,503	6,380	(2,550)
Consumer	1,772	616	(515)	550	40	(32)	-	-	-	2,322	656	(547)
Credit cards	473	38	(42)	66	4	(2)	-	-	-	539	42	(44)
Other (incl. SBL)	2,012	985	(798)	66	3	(2)	-	-	-	2,078	988	(800)
Corporate lending	**14,330**	**2,598**	**(1,670)**	**468**	**166**	**(104)**	**168**	**2**	**(7)**	**14,966**	**2,766**	**(1,781)**
Industry & mining	3,172	938	(625)	157	26	(18)	10	-	-	3,339	964	(643)
Trade and services (excl. tourism)	3,058	856	(525)	75	22	(19)	28	-	(5)	3,161	878	(549)
Construction and real estate development	1,802	228	(134)	120	70	(48)	23	-	-	1,945	298	(182)
Energy	1,918	5	(30)	39	20	(6)	7	-	-	1,964	25	(36)
Tourism	1,143	162	(85)	32	17	(6)	5	-	-	1,180	179	(91)
Shipping	1,663	107	(76)	-	-	-	18	-	-	1,681	107	(76)
Transportation and telecommunications	939	161	(98)	11	2	(2)	39	-	-	989	163	(100)
Other	635	141	(97)	34	9	(5)	38	2	(2)	707	152	(104)
Public sector	**357**	**38**	**(35)**	**-**	**-**	**-**	**46**	**-**	**-**	**403**	**38**	**(35)**
Total	**33,262**	**10,651**	**(5,608)**	**1,335**	**217**	**(142)**	**214**	**2**	**(7)**	**34,811**	**10,870**	**(5,757)**

	Greece			South East			Other countries			Total		
As at 31 December 2018	Gross	Credit impaired	ECL allowance	Gross	Credit impaired	ECL allowance	Gross	Credit impaired	ECL allowance	Gross	Credit impaired	ECL allowance
Retail lending	**21,770**	**10,465**	**(5,784)**	**818**	**50**	**(37)**	**55**	**55**	**(26)**	**22,643**	**10,570**	**(5,847)**
Mortgage	15,590	7,044	(2,962)	172	5	(2)	33	33	(14)	15,795	7,082	(2,978)
Consumer	2,549	1,281	(1,117)	520	39	(30)	18	18	(10)	3,087	1,338	(1,157)
Credit cards	598	149	(157)	67	4	(3)	3	3	(2)	668	156	(162)
Other (incl. SBL)	3,033	1,991	(1,548)	59	2	(2)	1	1	-	3,093	1,994	(1,550)
Corporate lending	**15,474**	**4,924**	**(3,217)**	**510**	**223**	**(139)**	**388**	**317**	**(204)**	**16,372**	**5,464**	**(3,560)**
Industry & mining	3,413	1,440	(888)	162	40	(24)	35	22	(18)	3,610	1,502	(930)
Trade and services (excl. tourism)	3,982	1,568	(1,073)	37	26	(18)	132	108	(87)	4,151	1,702	(1,178)
Construction and real estate development	1,751	538	(391)	173	96	(70)	108	108	(50)	2,032	742	(511)
Energy	1,875	32	(44)	54	26	(6)	16	12	(10)	1,945	70	(60)
Tourism	1,078	339	(159)	33	22	(11)	12	12	(6)	1,123	373	(176)
Shipping	1,888	373	(209)	-	-	-	-	-	-	1,888	373	(209)
Transportation and telecommunications	721	387	(283)	9	2	(2)	18	5	(4)	748	394	(289)
Other	766	247	(170)	42	11	(8)	67	50	(29)	875	308	(207)
Public sector	**393**	**93**	(59)	-	-	-	**59**	-	-	**452**	**93**	**(59)**
Total	**37,637**	**15,482**	**(9,060)**	**1,328**	**273**	**(176)**	**502**	**372**	**(230)**	**39,467**	**16,127**	**(9,466)**

Loans and advances to customers at amortised cost, credit impaired loans and ECL allowance by product line, industry and geographical region – Bank

	Greece			South East			Other countries			Total		
As at 31 December 2019	Gross	Credit impaired	ECL allowance	Gross	Credit impaired	ECL allowance	Gross	Credit impaired	ECL allowance	Gross	Credit impaired	ECL allowance
Retail lending	**18,481**	**7,972**	**(3,874)**	**-**	**-**	**-**	**-**	**-**	**-**	**18,481**	**7,972**	**(3,874)**
Mortgage	14,318	6,376	(2,548)	-	-	-	-	-	-	14,318	6,376	(2,548)
Consumer	1,754	616	(515)	-	-	-	-	-	-	1,754	616	(515)
Credit cards	473	38	(41)	-	-	-	-	-	-	473	38	(41)
Other (incl. SBL)	1,936	942	(770)	-	-	-	-	-	-	1,936	942	(770)
Corporate lending	**14,137**	**2,402**	**(1,591)**	**97**	**97**	**(55)**	**229**	**2**	**(7)**	**14,463**	**2,501**	**(1,653)**
Industry & mining	2,906	899	(614)	-	-	-	10	-	-	2,916	899	(614)
Trade and services (excl. tourism)	3,318	715	(463)	3	3	(3)	133	-	(5)	3,454	718	(471)
Construction and real estate development	1,714	221	(132)	72	72	(45)	-	-	-	1,786	293	(177)
Energy	1,888	5	(30)	14	14	(3)	7	-	-	1,909	19	(33)
Tourism	1,124	161	(85)	8	8	(4)	5	-	-	1,137	169	(89)
Shipping	1,663	107	(76)	-	-	-	18	-	-	1,681	107	(76)
Transportation and telecommunications	936	161	(98)	-	-	-	39	-	-	975	161	(98)
Other	588	133	(93)	-	-	-	17	2	(2)	605	135	(95)
Public sector	**356**	**38**	**(35)**	**-**	**-**	**-**	**46**	**-**	**-**	**402**	**38**	**(35)**
Total	**32,974**	**10,412**	**(5,500)**	**97**	**97**	**(55)**	**275**	**2**	**(7)**	**33,346**	**10,511**	**(5,562)**

As at 31 December 2018	Greece Gross	Greece Credit impaired	Greece ECL allowance	South East Gross	South East Credit impaired	South East ECL allowance	Other countries Gross	Other countries Credit impaired	Other countries ECL allowance	Total Gross	Total Credit impaired	Total ECL allowance
Retail lending	**21,666**	**10,410**	**(5,743)**	**-**	**-**	**-**	**-**	**-**	**-**	**21,666**	**10,410**	**(5,743)**
Mortgage	15,590	7,043	(2,964)	-	-	-	-	-	-	15,590	7,043	(2,964)
Consumer	2,535	1,281	(1,117)	-	-	-	-	-	-	2,535	1,281	(1,117)
Credit cards	598	150	(156)	-	-	-	-	-	-	598	150	(156)
Other (incl. SBL)	2,943	1,936	(1,506)	-	-	-	-	-	-	2,943	1,936	(1,506)
Corporate lending	**15,457**	**4,572**	**(3,025)**	**128**	**128**	**(77)**	**180**	**2**	**(8)**	**15,765**	**4,702**	**(3,110)**
Industry & mining	3,149	1,370	(877)	-	-	-	13	-	(1)	3,162	1,370	(878)
Trade and services (excl. tourism)	4,396	1,313	(902)	8	8	(8)	124	-	(5)	4,528	1,321	(915)
Construction and real estate development	1,685	528	(385)	97	97	(63)	-	-	-	1,782	625	(448)
Energy	1,856	31	(43)	15	15	(2)	4	-	-	1,875	46	(45)
Tourism	1,059	338	(159)	8	8	(4)	-	-	-	1,067	346	(163)
Shipping	1,888	373	(209)	-	-	-	-	-	-	1,888	373	(209)
Transportation and telecommunications	719	386	(283)	-	-	-	14	-	-	733	386	(283)
Other	705	233	(167)	-	-	-	25	2	(2)	730	235	(169)
Public sector	**393**	**93**	**(59)**	**-**	**-**	**-**	**58**	**-**	**-**	**451**	**93**	**(59)**
Total	**37,516**	**15,075**	**(8,827)**	**128**	**128**	**(77)**	**238**	**2**	**(8)**	**37,882**	**15,205**	**(8,912)**

4.2.14 Debt securities

The tables below present the movement of expected credit losses for debt securities during 2019 and 2018, for the Group and the Bank:

ECL Movement for Debt Securities - Group & Bank 2019

	Securities measured at amortised cost Stage 1	Securities measured at amortised cost Stage 2	Securities measured at FVTOCI Stage 1
Balance at 1 January	2	75	8
Net remeasurement of ECL allowance	-	(22)	(2)
Impairment losses on new assets	16	-	5
Derecognition of debt Securities	(1)	-	(4)
Balance at 31 December	**17**	**53**	**7**

ECL Movement - Group & Bank 2018

	Securities measured at amortised cost Stage 1	Securities measured at amortised cost Stage 2	Securities measured at FVTOCI Stage 1
Balance at 1 January	3	110	4
Net remeasurement of ECL allowance	(1)	(35)	-
Impairment losses on new assets	-	-	4
Balance at 31 December	**2**	**75**	**8**

The tables below present an analysis of debt securities, treasury bills and other eligible bills by rating agency designation at 31 December 2019 and 2018, based on the lower rating between Moody's and S&P ratings expressed in Moody's equivalent:

Ratings – Group

As at 31 December 2019	Securities measured at FVTPL	Securities measured at FVTOCI	Securities measured at amortised cost	Total
Aaa	52	525	-	**577**
Aa1 to A3	264	33	-	**297**
Baa1 to Ba3	44	316	1,320	**1,680**
Lower than Ba3	9	1,846	4,667	**6,522**
Of which: Greek sovereign debt	*9*	*1,814*	*4,657*	***6,480***
Unrated	-	-	65	**65**
Total	**369**	**2,720**	**6,052**	**9,141**

As at 31 December 2018	Securities measured at FVTPL	Securities measured at FVTOCI	Securities measured at amortised cost	Total
Aaa	3	-	-	**3**
Aa1 to A3	318	27	-	**345**
Baa1 to Ba3	67	933	619	**1,619**
Lower than Ba3	668	1,424	1,248	**3,340**
Of which: Greek sovereign debt	*650*	*1,406*	*1,237*	***3,293***
Unrated	1	57	5	**63**
Total	**1,057**	**2,441**	**1,872**	**5,370**

Ratings – Bank

As at 31 December 2019	Securities measured at FVTPL	Securities measured at FVTOCI	Securities measured at amortised cost	Total
Aaa	52	525	-	**577**
Aa1 to A3	264	33	-	**297**
Baa1 to Ba3	44	237	1,098	**1,379**
Lower than Ba3	9	1,846	4,667	**6,522**
Of which: Greek sovereign debt	*9*	*1,814*	*4,657*	***6,480***
Unrated	-	-	65	**65**
Total	**369**	**2,641**	**5,830**	**8,840**

As at 31 December 2018	Securities measured at FVTPL	Securities measured at FVTOCI	Securities measured at amortised cost	Total
Aaa	3	-	-	**3**
Aa1 to A3	318	27	-	**345**
Baa1 to Ba3	67	852	500	**1,419**
Lower than Ba3	668	1,424	1,248	**3,340**
Of which: Greek sovereign debt	*650*	*1,406*	*1,237*	***3,293***
Unrated	1	57	5	**63**
Total	**1,057**	**2,360**	**1,753**	**5,170**

During 2019, Hellenic Republic has been upgraded from Moody's and S&P rating agencies. Specifically, Hellenic Republic has been upgraded by Moody's to B1 from B3 and by S&P to BB- from B.

4.3 Market risk

Market risk is the current or prospective risk to earnings and capital arising from adverse movements in interest rates, equity and commodity prices and exchange rates, and their levels of volatility. The Group engages in moderate trading activities in order to enhance profitability and service its clientele. These trading activities create market risk, which the Group seeks to identify, estimate, monitor and manage effectively through a framework of principles, measurement processes and a valid set of limits that apply to all of the Group's transactions. The most significant types of market risk for the Group are interest rate, equity and foreign exchange risk. For more information over the significant types of market risk for the Group, please refer to the *"Board of Directors Report" section "Risk management – Management of Risks – Market Risk".*

4.3.1 Market risk on trading and HTCS portfolios - Value-at-Risk ("VaR")

The Bank uses internally developed and implemented market risk models and systems to assess and quantify the portfolio market risk, based on best practice and industry-wide accepted risk metrics. More specifically, the Bank estimates the market risk of its trading and held to collect and sell portfolios using the VaR methodology. This has been implemented in NBG's risk platform which is RiskWatch by Algorithmics (currently SS&C Technologies). In particular, the Bank has adopted the variance-covariance (VCV) methodology, with a 99% confidence interval and a 1-day holding period. The VaR is calculated on a daily basis for the Bank's trading and HTCS portfolios, along with the VaR per risk type (interest rate, equity and foreign exchange risk). The VaR estimates are used internally as a risk management tool, as well as for regulatory purposes. The GFLRMD calculates the VaR of the Bank's trading and HTCS portfolios, for internal use, on a daily basis, using the latest 75 exponentially weighted daily observations to construct the VCV matrices. For regulatory purposes, the calculations apply only on the trading portfolio and the VCV matrices are based on 252, equally weighted, daily observations. The risk factors relevant to the financial products in the Bank's portfolio are interest rates, equity indices, foreign exchange rates and commodity prices. Currently the number of risk factors involved in the VaR calculations is 1,591. Additionally, the GFLRMD calculates the stressed VaR (sVaR) of the Bank's trading portfolio, which is defined as the VaR, where model inputs are calibrated to historical data from a continuous 1-year period of significant financial stress, relevant to the Bank's portfolio. The relevant VCV matrices are identified over a period starting in January 2008. Similarly to VaR, NBG calculates sVaR on a daily basis, using a 1-day holding period and 99% confidence level.

The following tables reflect the VaR of the Bank (99%, 1 day) for the years ended 31 December 2019 and 2018, respectively.

2019 (in € 000)	Total VaR	Interest Rate Risk VaR	Equity Risk VaR	Foreign Exchange Risk VaR
31 December	16,376	16,104	1,489	156
Average (daily value)	16,445	15,814	1,616	209
Max (daily value)	29,634	28,970	2,650	420
Min (daily value)	6,723	5,763	827	80

2018 (in € 000)	Total VaR	Interest Rate Risk VaR	Equity Risk VaR	Foreign Exchange Risk VaR
31 December	13,494	12,744	1,822	282
Average (daily value)	12,641	12,211	1,335	331
Max (daily value)	20,857	19,706	2,305	574
Min (daily value)	6,952	6,806	723	158

The Bank is mostly exposed to interest rate risk, which is quantified through IR VaR. The evolution of the IR VaR depends on the sensitivity of the Bank's trading and HTCS portfolios to key risk factors, namely the euro swap rates and the respective government yields, as well as on the level of their volatilities.

The sensitivity of the Bank's portfolios followed an increasing trend in the first six months of 2019, mainly due to the increase of NBG's positions in sovereign bonds in the HTCS portfolio. This dynamic, combined with the relatively stable levels of the volatilities of key risk factors, led to a moderate increase of the IR and Total VaR. However, since the end of May, the rapid compression of the sovereign spreads of Greece caused a significant increase of the respective volatilities, resulting in a sharp increase of the Bank's IR and Total VaR estimates which reached their highest levels in the beginning of July. During the second half of the year, the VaR estimates followed a decreasing path, in line with the respective yield volatilities trend and stable levels of interest rate sensitivity. This overall trend was interrupted briefly in the end of August, following the announcement of a complete lifting of the capital controls in Greece, which led to a further decrease of the sovereign spreads and a corresponding increase of the respective volatilities, causing the VaR to increase. Thereafter, the volatilities of the Greek sovereign yields steadily decelerated, thus VaR decreased, although it stood at a higher level by the as at 31 December 2019 compared to the respective figure as at 31 December 2018.

Back-testing

The Bank performs back-testing on a daily basis, in order to verify the predictive power of the VaR model. In accordance with the guidelines set out in the Capital Requirements Regulation 575/2013, the calculations only refer to the Bank's trading portfolio and involve the comparison of the hypothetical as well as the actual daily gains/losses of the portfolio, with the respective estimates of the VaR model used for regulatory purposes. The hypothetical gains/losses is the change in the value of the portfolio between days t and t+1, assuming that the portfolio remains constant between the two days. In the same context, the actual gains/losses is the change in the value of the portfolio between days t and t+1, including all transactions and/or any realized gains/losses that took place in day t+1, excluding fees, commissions and net interest income.

Any excess of the hypothetical/actual losses over the VaR estimate is reported to the regulatory authorities within no later than five business days. During 2019, there were two cases, in which the back-testing result exceeded the respective VaR calculation.

Stress Testing

The VaR model is based on certain theoretical assumptions, which do not fully capture the potential "tail events" in the markets.

To enhance the predictability of our VaR model and minimize the effect of the aforementioned limitations, NBG performs stress testing on a weekly basis. The aim of stress testing is to evaluate the gains or losses that may occur under extreme market conditions and applies on both, trading and HTCS portfolios. These scenarios are presented in the following tables:

Interest rate-related scenarios:

Scenario	Description	0-3 Months	3 Months-5 Years	>5 Years
1	Parallel Curve Shift	+200 bps	+200 bps	+200 bps
2	Parallel Curve Shift	−200 bps	−200 bps	−200 bps
3	Steepening	0 bps	+100 bps	+200 bps
4	Flattening	+200 bps	+100 bps	0 bps

Equities/Commodities scenarios:

Scenario	Description
1	-30% for all indices

Foreign exchange rate-related scenarios:

Scenario	Description
1	appreciation by 30%
2	depreciation by 30%

Additionally, the following volatility stress scenarios are defined and the trading and HTCS portfolios are assessed, on a daily basis:

Volatility scenarios:

Scenario	Description
1	± 1% on log-normal IR, EQT, FX, CMD vols or ± 1 bps on normal IR vols
2	± 5% on log-normal IR, EQT, FX, CMD vols or ± 5 bps on normal IR vols
3	± 10% on log-normal IR, EQT, FX, CMD vols or ± 10 bps on normal IR vols
4	± 0.1% on log-normal FX, CMD vols

4.3.2 Limitations of the VAR model

The VaR model is based on certain theoretical assumptions, which under extreme market conditions might not capture the maximum loss the Bank may suffer. The restrictions of this methodology are summarized as follows:

- The use of volatilities and correlations as predictive measures for the behaviour of risk factors in the future might prove insufficient in periods of intense volatility in financial markets. However, this limitation is mitigated with the calculation of the stressed VaR;
- The ten-day holding period for the VaR calculations (used for regulatory purposes and capital allocation), implies that the Bank will be able to liquidate all its trading positions within this time period. This assumption might underestimate market risk in periods of insufficient liquidity in the financial markets;
- VaR refers to the plausible loss at a 99% confidence interval, without taking into account any losses beyond that level;
- All VaR calculations are performed on a close-of-business ("COB") basis and not on an intraday basis, thus not taking into account the respective portfolio changes;
- VaR estimates rely on small changes in the level of the relevant risk factors. For bigger movements (tail events), this metric might not fully capture the impact on the value of the portfolio; and
- Returns on individual risk factors are assumed to follow a normal distribution. If this assumption does not hold, the probability of extreme market movements could be underestimated. This limitation is mitigated through the stress testing framework, analysed in the previous section.

4.3.3 Interest rate risk in the banking book

Interest Rate Risk in the Banking Book (IRRBB) refers to the current or prospective risk to the Group's and Bank's capital and earnings arising from adverse movements in interest rates that affect the Banking Book positions. The main sources of IRRBB are the following: re-pricing risk, yield curve risk, basis risk and optionality risk. For further analysis please refer to the *"Board of Directors Report" section "Risk management – Management of Risks – Interest Rate Risk in the Banking Book"*).

4.3.4 Interest rate risk based on next re-pricing date

The interest rate risk for the Group and the Bank, relating to financial instruments based on next re-pricing date, is summarised as follows:

Interest re-pricing dates - Group

As at 31 December 2019	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 yrs	Over 5 yrs	Non interest bearing	Total
Assets							
Cash and balances with central banks	17	-	-	-	-	3,485	**3,502**
Due from banks	2,298	88	172	320	-	96	**2,974**
Financial assets at fair value through profit or loss	33	16	36	71	237	70	**463**
Loans and advances to customers	17,466	4,061	5,028	1,313	955	358	**29,181**
Investment securities at fair value through OCI	135	17	687	257	1,624	117	**2,837**
Investment securities at amortised cost	-	21	1,417	925	3,688	1	**6,052**
Other assets	17	-	-	3	-	2,044	**2,064**
Total	**19,966**	**4,203**	**7,340**	**2,889**	**6,504**	**6,171**	**47,073**
Liabilities							
Due to banks	1,789	63	100	2,410	87	-	**4,449**
Due to customers	30,583	2,850	6,357	3,230	1	627	**43,648**
Debt securities in issue & other borrowed funds	85	169	590	309	192	25	**1,370**
Other liabilities	72	-	-	-	-	1,191	**1,263**
Lease liability	7	13	60	338	887	1	**1,306**
Total	**32,536**	**3,095**	**7,107**	**6,287**	**1,167**	**1,844**	**52,036**
Total interest sensitivity gap	**(12,570)**	**1,108**	**233**	**(3,398)**	**5,337**	**4,327**	**(4,963)**

Interest re-pricing dates - Group

As at 31 December 2018	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 yrs	Over 5 yrs	Non interest bearing	Total
Assets							
Cash and balances with central banks	4,445	-	-	-	-	693	**5,138**
Due from banks	1,687	739	97	7	-	57	**2,587**
Financial assets at fair value through profit or loss	226	3,527	250	89	250	177	**4,519**
Loans and advances to customers	19,067	4,463	4,613	1,034	709	248	**30,134**
Investment securities at fair value through OCI	197	119	536	271	1,317	127	**2,567**
Investment securities at amortised cost	-	35	1,144	620	74	-	**1,873**
Other assets	11	-	3	-	-	1,511	**1,525**
Total	**25,633**	**8,883**	**6,643**	**2,021**	**2,350**	**2,813**	**48,343**
Liabilities							
Due to banks	1,846	3,233	110	2,390	85	3	**7,667**
Due to customers	30,401	2,946	5,576	2,733	1	1,370	**43,027**
Debt securities in issue & other borrowed funds	36	122	713	475	59	9	**1,414**
Other liabilities	49	-	-	-	-	739	**788**
Total	**32,332**	**6,301**	**6,399**	**5,598**	**145**	**2,121**	**52,896**
Total interest sensitivity gap	**(6,699)**	**2,582**	**244**	**(3,577)**	**2,205**	**692**	**(4,553)**

Interest re-pricing dates - Bank

As at 31 December 2019	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 yrs	Over 5 yrs	Non interest bearing	Total
Assets							
Cash and balances with central banks	1	-	-	-	-	3,301	**3,302**
Due from banks	2,201	126	173	320	-	82	**2,902**
Financial assets at fair value through profit or loss	7	16	36	71	239	70	**439**
Loans and advances to customers	17,285	4,004	4,490	902	895	335	**27,911**
Investment securities at fair value through OCI	55	17	687	257	1,624	116	**2,756**
Investment securities at amortised cost	-	-	1,328	846	3,657	-	**5,831**
Other assets	-	-	-	-	-	1,991	**1,991**
Total	**19,549**	**4,163**	**6,714**	**2,396**	**6,415**	**5,895**	**45,133**
Liabilities							
Due to banks	1,960	68	237	2,411	87	17	**4,780**
Due to customers	30,220	2,740	6,028	3,136	-	537	**42,661**
Debt securities in issue & other borrowed funds	85	169	590	308	192	21	**1,365**
Other liabilities	-	-	-	-	-	1,177	**1,177**
Lease liability	7	14	61	319	654	1	**1,056**
Total	**32,272**	**2,991**	**6,916**	**6,174**	**933**	**1,753**	**51,039**
Total interest sensitivity gap	**(12,723)**	**1,172**	**(202)**	**(3,778)**	**5,482**	**4,142**	**(5,906)**

Interest re-pricing dates - Bank

As at 31 December 2018	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 yrs	Over 5 yrs	Non interest bearing	Total
Assets							
Cash and balances with central banks	4,368	-	-	-	-	536	**4,904**
Due from banks	1,620	625	216	7	-	39	**2,507**
Financial assets at fair value through profit or loss	215	3,527	250	89	250	177	**4,508**
Loans and advances to customers	18,761	4,208	4,360	772	715	287	**29,103**
Investment securities at fair value through OCI	117	119	536	271	1,318	126	**2,487**
Investment securities at amortised cost	-	5	1,097	576	74	-	**1,752**
Other assets	-	-	-	-	-	1,408	**1,408**
Total	**25,081**	**8,484**	**6,459**	**1,715**	**2,357**	**2,573**	**46,669**
Liabilities							
Due to banks	2,140	3,281	201	2,417	85	19	**8,143**
Due to customers	30,136	2,821	5,260	2,720	-	1,312	**42,249**
Debt securities in issue & other borrowed funds	36	71	321	415	-	5	**848**
Other liabilities	-	-	-	-	-	695	**695**
Total	**32,312**	**6,173**	**5,782**	**5,552**	**85**	**2,031**	**51,935**
Total interest sensitivity gap	**(7,231)**	**2,311**	**677**	**(3,837)**	**2,272**	**542**	**(5,266)**

4.3.5 Foreign exchange risk

Foreign Exchange Risk is the risk related to the potential loss due to adverse movements in foreign exchange rates. The Open Currency Position ("OCP") of the Bank primarily arises from foreign exchange spot and forward transactions, as well as from the mark-to-market of NBG's OTC derivatives' trades denominated in foreign currency.

The foreign exchange risk concentration for the Group and the Bank as at 31 December 2019 and 2018 is presented in the following tables:

Foreign exchange risk concentration - Group

As at 31 December 2019	EURO	USD	GBP	JPY	CHF	Other	Total
Assets							
Cash and balances with central banks	3,345	22	4	-	2	129	**3,502**
Due from banks	2,641	77	16	14	179	47	**2,974**
Financial assets at fair value through profit or loss	448	15	-	-	-	-	**463**
Derivative financial instruments	4,673	135	11	5	-	9	**4,833**
Loans and advances to customers	25,737	2,066	30	1	535	812	**29,181**
Securities measured at fair value through other comprehensive income	2,723	33	-	-	-	81	**2,837**
Securities measured at amortised cost	5,923	43	-	-	-	86	**6,052**
Investment property	132	-	-	-	-	20	**152**
Equity method investments	8	-	-	-	-	-	**8**
Goodwill, software and other intangible assets	199	-	-	-	-	2	**201**
Property and equipment	1,695	-	-	-	-	20	**1,715**
Other assets	7,677	-	29	4	-	11	**7,721**
Total assets excl. assets held-for-sale	**55,201**	**2,391**	**90**	**24**	**716**	**1,217**	**59,639**
Non-current assets held for sale	4,376	125	9	-	3	96	**4,609**
Total assets	**59,577**	**2,516**	**99**	**24**	**719**	**1,313**	**64,248**

As at 31 December 2019	EURO	USD	GBP	JPY	CHF	Other	Total
Liabilities							
Due to banks	4,227	27	9	1	169	16	**4,449**
Derivative financial instruments	2,641	193	15	2	19	-	**2,870**
Due to customers	39,902	2,113	132	1	40	1,460	**43,648**
Debt securities in issue & Other borrowed funds	1,366	-	-	-	-	4	**1,370**
Other liabilities	2,629	70	25	1	-	49	**2,774**
Retirement benefit obligations	266	-	-	-	-	1	**267**
Total liabilities excl. liabilities associated with non current assets held-for-sale	**51,031**	**2,403**	**181**	**5**	**228**	**1,530**	**55,378**
Liabilities associated with non-current assets held for sale	3,437	46	1	-	-	109	**3,593**
Total liabilities	**54,468**	**2,449**	**182**	**5**	**228**	**1,639**	**58,971**
Net on balance sheet position	**5,109**	**67**	**(83)**	**19**	**491**	**(326)**	**5,277**

Foreign exchange risk concentration - Group

As at 31 December 2018	EURO	USD	GBP	JPY	CHF	Other	Total
Assets							
Cash and balances with central banks	5,014	15	3	-	2	104	**5,138**
Due from banks	2,379	137	15	11	14	31	**2,587**
Financial assets at fair value through profit or loss	4,511	8	-	-	-	-	**4,519**
Derivative financial instruments	3,669	106	10	3	1	2	**3,791**
Loans and advances to customers	26,933	1,879	29	1	559	733	**30,134**
Securities measured at fair value though other comprehensive income	2,463	23	-	-	-	82	**2,568**
Securities measured at amortised cost	1,806	-	-	-	-	66	**1,872**
Investment property	995	-	-	-	-	21	**1,016**
Equity method investments	8	-	-	-	-	-	**8**
Goodwill, software and other intangible assets	148	-	-	-	-	2	**150**
Property and equipment	1,032	-	-	-	-	14	**1,046**
Other assets	6,956	51	8	1	2	27	**7,045**
Total assets excl. assets held-for-sale	**55,914**	**2,219**	**65**	**16**	**578**	**1,082**	**59,874**
Non-current assets held for sale	4,109	171	12	1	205	723	**5,221**
Total assets	**60,023**	**2,390**	**77**	**17**	**783**	**1,805**	**65,095**

As at 31 December 2018	EURO	USD	GBP	JPY	CHF	Other	Total
Liabilities							
Due to banks	7,542	22	9	-	93	1	**7,667**
Derivative financial instruments	1,949	161	12	2	5	2	**2,131**
Due to customers	39,466	2,027	126	1	45	1,362	**43,027**
Debt securities in issue & Other borrowed funds	1,410	-	-	-	-	4	**1,414**
Other liabilities	849	16	3	-	-	19	**887**
Retirement benefit obligations	239	-	-	-	-	-	**239**
Total liabilities excl. liabilities associated with non current assets held-for-sale	**51,455**	**2,226**	**150**	**3**	**143**	**1,388**	**55,365**
Liabilities associated with non-current assets held for sale	3,278	105	13	-	1	695	**4,092**
Total liabilities	**54,733**	**2,331**	**163**	**3**	**144**	**2,083**	**59,457**
Net on balance sheet position	**5,290**	**59**	**(86)**	**14**	**639**	**(278)**	**5,638**

Foreign exchange risk concentration - Bank

As at 31 December 2019	EURO	USD	GBP	JPY	CHF	Other	Total
Assets							
Cash and balances with central banks	3,270	21	4	-	2	5	**3,302**
Due from banks	2,646	37	11	14	172	22	**2,902**
Financial assets at fair value through profit or loss	381	58	-	-	-	-	**439**
Derivative financial instruments	4,673	135	11	5	-	9	**4,833**
Loans and advances to customers	25,332	2,022	30	1	526	-	**27,911**
Securities measured at fair value through other comprehensive income	2,724	33	-	-	-	-	**2,757**
Securities measured at amortised cost	5,787	43	-	-	-	-	**5,830**
Investments in subsidiaries	1,139	-	-	-	-	-	**1,139**
Investment property	6	-	-	-	-	-	**6**
Equity method investments	6	-	-	-	-	-	**6**
Goodwill, software and other intangible assets	199	-	-	-	-	-	**199**
Property and equipment	1,264	-	-	-	-	-	**1,264**
Other assets	7,540	43	24	4	-	3	**7,614**
Total assets excl. non current assets held for sale	**54,967**	**2,392**	**80**	**24**	**700**	**39**	**58,202**
Non-current assets held for sale	1,004	81	1	-	4	69	**1,159**
Total assets	**55,971**	**2,473**	**81**	**24**	**704**	**108**	**59,361**

As at 31 December 2019	EURO	USD	GBP	JPY	CHF	Other	Total
Liabilities							
Due to banks	4,398	104	99	3	171	5	**4,780**
Derivative financial instruments	2,641	193	15	2	19	-	**2,870**
Due to customers	39,860	2,029	128	1	30	613	**42,661**
Debt securities in issue & Other borrowed funds	1,365	-	-	-	-	-	**1,365**
Other liabilities	2,237	109	23	1	-	4	**2,374**
Retirement benefit obligations	264	-	-	-	-	-	**264**
Total liabilities excl. liabilities associated with non current assets held for Sale	**50,765**	**2,435**	**265**	**7**	**220**	**622**	**54,314**
Liabilities associated with non current assets held for sale	2	17	1	-	-	94	**114**
Total liabilities	**50,767**	**2,452**	**266**	**7**	**220**	**716**	**54,428**
Net on balance sheet position	**5,204**	**21**	**(185)**	**17**	**484**	**(608)**	**4,933**

Foreign exchange risk concentration - Bank

As at 31 December 2018	EURO	USD	GBP	JPY	CHF	Other	Total
Assets							
Cash and balances with central banks	4,881	14	3	-	2	4	**4,904**
Due from banks	2,366	106	11	11	3	10	**2,507**
Financial assets at fair value through profit or loss	4,500	8		-	-	-	**4,508**
Derivative financial instruments	3,669	106	10	3	1	2	**3,791**
Loans and advances to customers	26,622	1,893	29	1	558	-	**29,103**
Securities measured at fair value though other comprehensive income	2,463	23	-	-	-	-	**2,486**
Securities measured at amortised cost	1,753	-	-	-	-	-	**1,753**
Investments in subsidiaries	1,467	-	-	-	-	-	**1,467**
Investment property	6	-	-	-	-	-	**6**
Equity method investments	7	-	-	-	-	-	**7**
Goodwill, software and other intangible assets	147	-	-	-	-	-	**147**
Property and equipment	262	-	-	-	-	-	**262**
Other assets	6,833	51	4	1	2	3	**6,894**
Total assets excl. non current assets held for sale	**54,976**	**2,201**	**57**	**16**	**566**	**19**	**57,835**
Non-current assets held for sale	1,110	73	-	1	202	66	**1,452**
Total assets	**56,086**	**2,274**	**57**	**17**	**768**	**85**	**59,287**

As at 31 December 2018	EURO	USD	GBP	JPY	CHF	Other	Total
Liabilities							
Due to banks	7,852	100	91	2	96	2	**8,143**
Derivative financial instruments	1,949	161	12	2	5	2	**2,131**
Due to customers	39,544	1,949	122	1	32	601	**42,249**
Debt securities in issue & Other borrowed funds	848	-	-	-	-	-	**848**
Other liabilities	918	10	2	-	-	-	**930**
Retirement benefit obligations	237	-	-	-	-	-	**237**
Total liabilities excl. liabilities associated with non current assets held for sale	**51,348**	**2,220**	**227**	**5**	**133**	**605**	**54,538**
Liabilities associated with Non Current Assets held for Sale	6	23	1	-	-	81	**111**
Total liabilities	**51,354**	**2,243**	**228**	**5**	**133**	**686**	**54,649**
Net on balance sheet position	**4,732**	**31**	**(171)**	**12**	**635**	**(601)**	**4,638**

4.4 Country risk

Country risk is the current or prospective risk to earnings and capital, caused by events in a particular country which are at least to some extent under the control of the government but definitely not under the control of a private enterprise or individual. The main categories of country risk consist of sovereign risk, convertibility risk and transfer risk. . For more information, please refer to the *"Board of Directors Report" section "Risk management – Management of Risks – Country Risk".*

4.5 Liquidity risk

4.5.1 Liquidity risk management

Liquidity Risk is defined as the current or prospective risk to earnings and capital arising from the institution's inability to meet its liabilities when they come due without incurring unacceptable losses.

It reflects the potential mismatch between incoming and outgoing payments, taking into account unexpected delays in repayments (term Liquidity Risk) or unexpectedly high outflows (withdrawal/call risk). Liquidity Risk involves both the risk of unexpected increases in the cost of funding of the portfolio of assets at appropriate maturities and rates, and the risk of being unable to liquidate a position in a timely manner and on reasonable terms. For more information please refer to the *"Board of Directors Report" section "Risk management – Management of Risks – Liquidity Risk".*

4.5.2 Contractual undiscounted cash flows

The contractual undiscounted cash outflows of the Group's and the Bank's non-derivative financial liabilities are presented in the tables below. Liquidity risk arising from derivatives is not considered significant.

Contractual undiscounted cash outflows - Group

As at 31 December 2019	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 yrs	Over 5 yrs	Total
Due to banks	1,297	65	53	2,451	587	**4,453**
Due to customers	34,558	2,675	5,679	746	53	**43,711**
Debt securities in issue & Other borrowed funds	-	-	805	342	564	**1,711**
Other liabilities	158	824	224	2	54	**1,262**
Lease liability	8	14	63	301	1,367	**1,753**
Total – on balance sheet	**36,021**	**3,578**	**6,824**	**3,842**	**2,625**	**52,890**
Credit commitments	**586**	**240**	**771**	**457**	**1,004**	**3,058**

Contractual undiscounted cash outflows - Group

As at 31 December 2018	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 yrs	Over 5 yrs	Total
Due to banks	1,885	3,213	73	2,438	88	**7,697**
Due to customers	34,153	2,821	5,634	437	54	**43,099**
Debt securities in issue & Other borrowed funds	1	-	23	876	4	**904**
Other liabilities	71	359	211	-	57	**698**
Total – on balance sheet	**36,110**	**6,393**	**5,941**	**3,751**	**203**	**52,398**
Credit commitments	**509**	**238**	**502**	**485**	**1,326**	**3,060**

Contractual undiscounted cash outflow - Bank

As at 31 December 2019	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 yrs	Over 5 yrs	Total
Due to banks	1,494	135	116	2,451	587	**4,783**
Due to customers	34,213	2,552	5,304	596	50	**42,715**
Debt securities in issue & Other borrowed funds	-	-	805	341	560	**1,706**
Other liabilities	-	841	225	-	54	**1,120**
Lease liability	7	14	63	298	1,364	**1,746**
Total – on balance sheet	**35,714**	**3,542**	**6,513**	**3,686**	**2,615**	**52,070**
Credit commitments	**585**	**235**	**802**	**439**	**1,303**	**3,364**

Contractual undiscounted cash outflow - Bank

As at 31 December 2018	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 yrs	Over 5 yrs	Total
Due to banks	2,221	3,321	78	2,465	88	**8,173**
Due to customers	34,086	2,673	5,234	268	51	**42,312**
Debt securities in issue & Other borrowed funds	-	-	22	875	-	**897**
Other liabilities	6	358	209	-	56	**629**
Total – on balance sheet	**36,313**	**6,352**	**5,543**	**3,608**	**195**	**52,011**
Credit commitments	**506**	**233**	**517**	**696**	**1,707**	**3,659**

Other liabilities mainly include accrued interest and commissions, payables to suppliers, amounts due to government agencies, taxes payable (other than income taxes), and accrued expense.

4.6 Insurance risk

The insurance policies issued by the Group carry a degree of risk. The risk under any insurance policy is the possibility of the insured event resulting in a claim. By the very nature of an insurance policy, risk is based on fortuity and is therefore unpredictable.

The principal risk that the Group may face under its insurance policies are that the actual claims and benefit payments or the timing thereof, may differ from expectations. This could occur because the frequency or severity of claims is greater than estimated. Depending on the insurance product, this risk is influenced by macroeconomic changes, changes in customer behaviour, changes in public health, pandemics and catastrophic events such as earthquakes, industrial disasters, fires, riots or terrorism.

The above risk exposure is mitigated by diversification across a large portfolio of insurance policies. The variability of risks is also improved by the careful selection and implementation of the Group's underwriting policy, reinsurance strategy and internal guidelines, within an overall risk management framework. Pricing is based on assumptions and statistics and the Group's empirical data, taking into consideration current trends and market conditions.

Reinsurance arrangements include proportional, optional facultative, excess of loss and catastrophe coverage.

Life insurance

Life insurance policies written by the Group include whole life, endowment, term assurance, term assurance with survival benefit, pension, unit-linked and rider benefits attached to insurance policies.

Traditional Life insurance contracts

These policies insure events associated with insured persons' life (for example, death or survival). Guaranteed benefits paid on occurrence of the specified insurance event are either fixed or linked to the financial loss suffered by the policyholder.

The main risks that the Group is exposed to under Life insurance policies are the following:

- *Mortality risk:* risk of loss arising due to policyholder actual death experience being different than expected.
- *Longevity risk:* risk of loss arising due to the annuitant living longer than expected.
- *Investment return risk:* risk of loss arising from actual returns being different than expected.
- *Expense risk:* risk of loss arising from expense experience being different than expected.
- *Lapse/Surrender risk:* risk of loss arising due to policyholder behaviour (lapses and surrenders) being different than expected.

Key assumptions

Life insurance policy estimates are initially made at inception of the policy, where the Group determines the key assumptions applicable to the type of life insurance policy, such as future deaths, voluntary terminations, investment returns and administration expenses. Subsequently, new estimates are developed at each reporting date to determine whether the liabilities are adequate in the light of the current experience. The key assumptions to which the estimation of liabilities is particularly sensitive are as follows:

- *Mortality*: Assumptions are based on appropriate standard industry and national tables, according to the type of policy written, reflecting the recent historical experience of the Group and thus reflecting the best estimate for that year. Assumptions are differentiated by sex.
- *Investment return*: Estimates for investment returns that affect the level of future benefits due to the policyholders are based on current market returns as well as expectations about future economic and financial developments.
- *Expenses*: Operating expenses assumptions reflect the projected costs of maintaining and servicing in-force policies. The current level of expenses, as at 31 December 2019, is taken as an appropriate expense base, adjusted for expected expense inflation if appropriate.
- *Lapse and surrender rates*: Lapses relate to the termination of policies due to non-payment of premiums. Surrenders relate to the voluntary termination of policies by policyholders. Policy termination assumptions are determined using historical statistical measures based on the Group's experience and vary by product type.
- *Discount rate:* The liability adequacy test is based on the estimate of future cash flows. Future cash flows are discounted using the risk free curve plus a spread, which is based on the returns of the portfolio of assets matching the related reserves, less an allowance for credit risk.
- *Rate that option to surrender is exercised at the beginning of retirement*: The percentage of insured in individual insurance programs which elect for a lump-sum benefit (surrender value) instead of a monthly pension benefit, which is estimated based on past experience.

Liability adequacy test

Life business comprises of the following three main categories depending on the nature of the cover:

i. *Individual traditional policies (whole life, endowment, pure endowment, term, pension plans etc):* The test was based on the projection of the future cash flows using current assumptions in terms of mortality, lapses, interest rate and expenses for the expected remaining term of insurance policies. The aforementioned test resulted in additional reserves.

ii. *Unit-linked policies:* Analysis considered both risks associated to parameters (mortality, lapses, interest rate, expenses) and risks associated to guaranteed return at the end of the policy terms. Despite the increase in the value of the funds during the last year an additional liability was necessary to cover the guaranteed return to policyholders.

iii. *Pension beneficiaries that stem from Deposit Administration Funds ("DAF"):* The process followed was similar to that of individual traditional policies. The test produced a liability that exceeded reserves to cover longevity risk.

Sensitivity analysis

The sensitivity analysis set out below is calculated for those factors which are considered significant (discount rate and lapse rates) as regards the effect of their change in the recorded reserves.

The results of the sensitivity analysis refer to the liabilities which relate to the portfolio of individual traditional policies, to benefits to pensioners who previously held DAF policies as well as to the portfolio of Unit Linked policies.

Sensitivity analysis

2019	Change in Assumptions	Impact on Insurance Liabilities
Discount Rate	+0.5%	(65)
	-0.5%	87
Lapse / Surrender Rates	Increase by +10%	(8)
	Decrease by -10%	9
Mortality Rates	Increase by +10%	(1)
	Decrease by -10%	2
Operating Expenses	Increase by +10%	6

2018	Change in Assumptions	Impact on Insurance Liabilities
Discount Rate	+0.5%	(46)
	-0.5%	68
Lapse / Surrender Rates	Increase by +10%	(7)
	Decrease by -10%	8
Mortality Rates	Increase by +10%	(1)
	Decrease by -10%	1
Operating Expenses	Increase by +10%	8

Riders on Life insurance contracts

Life insurance contracts may include personal accident and hospitalization riders, which protect the Group's clients from the consequences of disability or hospital treatment due to an accident or illness of the insured or their dependants.

The main risks that the Group is exposed to under Life insurance policies are the following:

- *Morbidity risk:* risk of loss arising due to policyholder health experience being different than expected.
- *Expense risk:* risk of loss arising from expense experience being different than expected.
- *Lapse/Surrender risk:* risk of loss arising due to policyholder behaviour (lapses and surrenders) being different than expected.

Key assumptions

The key assumptions (apart from lapse / surrender risk, expense risk and discount rate) to which the estimation of liabilities is particularly sensitive are as follows:

- *Morbidity rates*: Rates of hospitalization, by age and type of coverage, derived from the historical experience.
- *Disability*: Disability percentages for life riders with benefits in the event of disability of the insured are based mainly on the corresponding rates of reinsurance contracts currently in force.

Liability adequacy test

Life business comprises of the following two main categories depending on the nature of the cover:

- *Hospitalisation riders:* The test was based on current assumptions for discount rate, morbidity, medical claim inflation, lapses, expenses and annual premium increase. The aforementioned test did not result in additional reserves.
- *Other riders:* The test was based on current assumptions for discount rate, disability rates, lapses and expenses. The test resulted in additional reserves.

Liability adequacy test for individuals Life insurance contracts (health riders) was based on the projection of the present value of the portfolio's future cash flows. The test did not result in additional reserves as it did not exceed Unearned Premium Reserve (UPR) that was already recorded.

Sensitivity analysis

The sensitivity analysis set out below is calculated for those factors which are considered significant (discount rate, lapse rates and morbidity rates) as regards the effect of their change in reserves.

Sensitivity analysis

2019	Change in Assumptions	Impact on Insurance Liabilities
Discount Rate	+0.5%	-
	-0.5%	-
Lapse / Surrender Rates	Increase by +10%	-
	Decrease by -10%	-
Morbidity Rates	Increase by +5%	44
	Decrease by -5%	-

2018	Change in Assumptions	Impact on Insurance Liabilities
Discount Rate	+0,5%	-
	-0,5%	-
Lapse / Surrender Rates	Increase by +10%	-
	Decrease by -10%	-
Morbidity Rates	Increase by +5%	30
	Decrease by -5%	-

Property and casualty insurance

The Group provides products that cover a large range of risks such as personal, commercial, industrial risks and other risks related to property damage and third party liability.

The above risk exposure is mitigated by diversification across a large portfolio of insurance policies. The diversity of risks is also improved by careful selection and implementation of underwriting policy, reinsurance strategy and internal guidelines, within an overall risk management framework. Pricing is based on past experience taking into consideration current trends and market conditions.

For specific risks arising from an unexpected number of claims or unusually large claims, an appropriate proactive policy is applied to all business units:

Underwriting process: The criteria for the acceptance of insurance risk are such that a geographical dispersion of risks and their diversification to different activity sectors are ensured. Furthermore where necessary, policy limits and claim deductibles are applied in order to reduce the Group's share of the risk. In addition, in many cases insurance policies include exclusion clauses for risks whose probability of occurrence and financial consequences are difficult to estimate (such as general third party liability or environmental risks with discernable causing events).

Claims handling: The Group's policy for claims handling is focused on the timely settlement of claims and the prevention of fraudulent cases being accepted by the Group. This is achieved by appropriate information systems, reliable claim assessment procedures and qualified personnel with a high degree of ethical standing.

Provisions for Outstanding Claims: In addition to the claim-by-claim procedure, a number of statistical and actuarial techniques are employed for the estimation of the ultimate cost of claims incurred and the calculation of the corresponding reserves. These techniques are based on historic data for the determination of the final cost and on assumptions regarding the average claims' cost, future inflation, changes in legal framework, as well as on expert judgment. The process entails a significant degree of subjectivity, particularly with regards to the estimation of the incurred claims reserve for bodily injury, loss of life, legal cases and damage of property. The process includes the creation of reserves which have not been reported to the Group companies at the reporting date.

Reinsurance Policy: The selection of the optimal reinsurance coverage varies depending on the nature of the risks involved, the Group's solvency and its capacity to absorb losses arising from extreme events. The structure of the reinsurance program ensures the protection against high frequency of claims, exceptional claims or concentration of claims. The Group places particular emphasis on the coverage of catastrophic events, arising from natural perils, such as earthquakes by selecting reinsurance programs that cover events with a small probability of incurrence.

Liability adequacy test

For all lines of businesses a liability adequacy test is performed for the adequacy of the technical provisions. With regards to the motor line of business (the largest line of business), historical data was examined on a per nature of claim basis, for each accident year after 2000 and the following methods were applied in order to estimate the ultimate cost for each accident year: cumulative payments, incurred claims, average claim cost projections and the Bornhuetter-Ferguson method of which the results were selected for the estimation of the total cost for each accident year.

Claims development tables

The tables below present the development of the incurred claims cost for each accident year from 2013 to 2019. In addition, the corresponding amounts of the cumulative actual claims payments are included, in order for there to be a distinction between actual payments and reserves. Outstanding claims estimates for years prior to 2013 are presented for reconciliation reasons. Note that for

Motor TPL, where additional reserves, resulted from the LAT performed (for both IBNR claims and adverse future deviation of the case estimates for reported claims) are included in the estimates presented.

For the Fire business (the second largest property and casualty line of business after Motor), the total cost per year is the sum of the cumulative payments and the reserves per case (no additional reserves resulted from the LAT performed).

The Motor and Fire lines of business account for over 85% of the outstanding claim reserves balances.

Motor TPL claims development

		Group							
Accident year	**Reserves prior to 2013**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**Total reserves**
Accident year		64	61	50	48	40	45	43	-
One year later		63	53	52	46	50	52	-	-
Two years later		62	52	51	48	51	-	-	-
Three years later		61	54	51	48	-	-	-	-
Four years later		64	53	51	-	-	-	-	-
Five years later		57	49	-	-	-	-	-	-
Six years later		48	-	-	-	-	-	-	-
Current estimate of cumulative claims		**48**	**49**	**51**	**48**	**51**	**52**	**43**	**-**
Accident year		(16)	(12)	(11)	(11)	(10)	(10)	(9)	-
One year later		(24)	(21)	(18)	(20)	(17)	(17)	-	-
Two years later		(28)	(23)	(21)	(22)	(20)	-	-	-
Three years later		(31)	(26)	(23)	(24)	-	-	-	-
Four years later		(33)	(29)	(25)	-	-	-	-	-
Five years later		(37)	(29)	-	-	-	-	-	-
Six years later		(39)	-	-	-	-	-	-	-
Cumulative payments		**(39)**	**(29)**	**(25)**	**(24)**	**(20)**	**(17)**	**(9)**	**-**
Total outstanding claims reserve	**64**	**9**	**20**	**26**	**24**	**31**	**35**	**34**	**243**

Fire claims development

		Group							
Accident year	**Reserves prior to 2013**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**Total reserves**
Accident year		10	15	36	17	14	14	10	-
One year later		9	13	34	21	22	19	-	-
Two years later		9	20	14	22	22	-	-	-
Three years later		9	32	14	22	-	-	-	-
Four years later		8	31	12	-	-	-	-	-
Five years later		8	31	-	-	-	-	-	-
Six years later		8	-	-	-	-	-	-	-
Current estimate of cumulative claims		**8**	**31**	**12**	**22**	**22**	**19**	**10**	**-**
Accident year		(3)	(6)	(5)	(12)	(3)	(9)	(3)	-
One year later		(7)	(10)	(11)	(15)	(7)	(12)	-	-
Two years later		(7)	(11)	(11)	(18)	(8)	-	-	-
Three years later		(8)	(30)	(11)	(19)	-	-	-	-
Four years later		(8)	(31)	(12)	-	-	-	-	-
Five years later		(8)	(31)	-	-	-	-	-	-
Six years later		(8)	-	-	-	-	-	-	-
Cumulative payments		**(8)**	**(31)**	**(12)**	**(19)**	**(8)**	**(12)**	**(3)**	**-**
Total outstanding claims reserve	**4**	**-**	**-**	**-**	**3**	**14**	**7**	**7**	**35**

4.7 Capital adequacy

In June 2013, the European Parliament and the Council of Europe issued Directive 2013/36/EU and Regulation (EU) No 575/2013 (known as CRD IV and CRR respectively), which incorporate the key amendments that have been proposed by the Basel Committee for Banking Supervision (known as Basel III). Directive 2013/36/EU has been transported into Greek Law by virtue of Greek Law 4261/2014 and Regulation (EU) No 575/2013 has been directly applicable to all EU Member States since 1 January 2014 and certain changes under CRD IV were implemented gradually.

Regulation (EU) No 575/2013 defines the minimum capital requirements (Pillar 1 requirements) and Directive 2013/36/EU defines the combined buffer requirements for EU institutions. In addition, Directive 2013/36/EU provides (Art. 97 et seq.) that Competent Authorities regularly carry out the Supervisory Review and Evaluation process ("SREP"), to assess and measure risks not covered, or not fully covered, under Pillar 1 and determine additional capital and liquidity requirements (Pillar 2 requirements). SREP is conducted under the lead of the ECB. The SREP decision is tailored to each bank's individual profile.

The table below summarises Pillar 1 & 2 capital requirements for NBG Group for 2020 and 2019:

	CET1 Capital Requirements		Total Capital Requirements	
	2020	2019	2020	2019
Pillar 1	4.5%	4.5%	8.0%	8.0%
Pillar 2	3.0%	3.0%	3.0%	3.0%
Capital Conservation Buffer	2.5%	2.5%	2.5%	2.5%
O-SII Buffer	0.50%	0.25%	0.50%	0.25%
Total	**10.50%**	**10.25%**	**14.00%**	**13.75%**

The capital adequacy ratios for the Group and the Bank are presented in the table below:

	Group		Bank	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Common Equity Tier 1	**16.0%**	**16.1%**	**16.4%**	**16.5%**
Tier I	**16.0%**	**16.1%**	**16.4%**	**16.5%**
Total	**16.9%**	**16.2%**	**17.4%**	**16.7%**

DTC Law

Article 27A of Greek Law 4172/2013 ("DTC Law"), as currently in force, allows credit institutions, under certain conditions, and from 2017 onwards to convert deferred tax assets ("DTAs") arising from (a) private sector initiative ("PSI") losses, (b) accumulated provisions for credit losses recognized as at 30 June 2015, (c) losses from final write off or the disposal of loans and (d) accounting write offs, which will ultimately lead to final write offs and losses from disposals, to a receivable ("Tax Credit") from the Greek State. Items (c) and (d) above were added with Greek Law 4465/2017 enacted on 29 March 2017. The same Greek Law 4465/2017 provided that Tax Credit cannot exceed the tax corresponding to accumulated provisions recorded up to 30 June 2015 less (a) any definitive and cleared tax credit, which arose in the case of accounting loss for a year according to the provisions of par.2 of article 27A, which relate to the above accumulated provisions, (b) the amount of tax corresponding to any subsequent specific tax provisions, which relate to the above accumulated provisions and (c) the amount of the tax corresponding to the annual amortization of the debit difference that corresponds to the above provisions and other losses in general arising due to credit risk.

The main condition for the conversion of DTAs to a Tax Credit is the existence of an accounting loss on a solo basis of a respective year, starting from accounting year 2016 and onwards. The Tax Credits will be calculated as a ratio of IFRS accounting losses to net equity (excluding the year's losses) on a solo basis and such ratio will be applied to the remaining Eligible DTAs in a given year to calculate the Tax Credit that will be converted in that year, in respect of the prior tax year. The Tax Credit may be offset against income taxes payable. The non-offset part of the Tax Credit is immediately recognized as a receivable from the Greek State. The Bank is obliged to issue conversion rights to the Greek State for an amount of 100% of the Tax Credit in favour of the Greek State and will create a specific reserve for an equal amount. Common shareholders have pre-emption rights on these conversion rights. The reserve will be capitalized with the issuance of common shares in favour of the Greek State. This legislation allows credit institutions to treat such DTAs as not "relying on future profitability" according to CRD IV, and as a result such DTAs are not deducted from CET1, hence improving a credit institution's capital position.

Furthermore, Greek Law 4465/2017 amended article 27 "Carry forward losses" by introducing an amortization period of 20 years for losses due to loan write offs as part of a settlement or restructuring and losses that crystallize as a result of a disposal of loans.

On 7 November 2014, the Bank convened an extraordinary General Shareholders Meeting which resolved to include the Bank in the DTC Law. In order for the Bank to exit the provisions of the DTC Law it requires regulatory approval and a General Shareholders meeting resolution.

As of 31 December 2019, the amount of DTAs that were eligible for conversion to a receivable from the Greek State subject to the DTC Law was €4.5 billion (31 December 2018: €4.6 billion). The conditions for conversion rights were not met in the year ended 31 December 2019 and no conversion rights are deliverable in 2020.

2020 EU-wide Stress Test

On 31 January 2020, the European Banking Authority (EBA) launched the 2020 EU-wide stress test, which will be conducted on a sample of 51 EU banks. Similar to the 2018 exercise, it is a bottom-up exercise with constraints, including a static balance sheet assumption. The aim of the EU-wide stress test is to assess the resilience of EU banks to a common set of adverse economic developments in order to identify potential risks, inform supervisory decisions and increase market discipline.

However, in the light of the operational pressure on banks due to Coronavirus (“COVID-19”), on 12 March 2020 the EBA announced its decision to postpone the EU-wide stress test exercise to 2021, in order to allow banks to focus on and ensure continuity of their core operations.

COVID 19 outbreak

The ECB has announced a number of measures to ensure that its directly supervised banks can continue to fulfil their role in funding the real economy as the economic effects of the COVID-19 become apparent (for further details please see Note 47 “Events after the Reporting Period”).

4.8 Fair values of financial assets and liabilities

a. Financial instruments not measured at fair value

The table below summarises the carrying amounts and the fair values of those financial assets and liabilities that are not presented on the Group’s and the Bank’s Statement of Financial Position at fair value and the fair value is materially different from the carrying amount.

Financial instruments not measured at fair value - Group

	Carrying amount	Fair value			
	31.12.2019	31.12.2019	Level 1	Level 2	Level 3
Financial Assets					
Loans and advances to customers at amortised cost	29,054	28,713	-	-	28,713
Investment securities at amortised cost	6,052	6,254	957	4,324	973
Financial Liabilities					
Due to customers	43,369	43,404	31,135	12,269	-
Debt securities in issue	1,365	1,443	-	1,443	-

	Carrying amount	Fair value			
	31.12.2018	31.12.2018	Level 1	Level 2	Level 3
Financial Assets					
Loans and advances to customers at amortised cost	30,001	29,273	-	-	29,273
Investment securities at amortised cost	1,872	1,253	465	315	473
Financial Liabilities					
Due to customers	41,984	42,039	28,676	13,363	-
Debt securities in issue	1,146	1,164	-	1,164	-

Financial instruments not measured at fair value - Bank

	Carrying amount 31.12.2019	Fair value 31.12.2019	Level 1	Level 2	Level 3
Financial Assets					
Loans and advances to customers at amortised cost	27,784	27,443	-	-	27,443
Investment securities at amortised cost	5,830	6,033	957	4,103	973
Financial Liabilities					
Due to customers	42,382	42,418	30,879	11,539	-
Debt securities in issue	1,365	1,443	-	1,443	-

	Carrying amount 31.12.2018	Fair value 31.12.2018	Level 1	Level 2	Level 3
Financial Assets					
Loans and advances to customers at amortised cost	28,970	28,242	-	-	28,242
Investment securities at amortised cost	1,752	1,133	465	195	473
Financial Liabilities					
Due to customers	41,206	41,263	28,625	12,638	-
Debt securities in issue	847	866	-	866	-

The following methods and assumptions were used to estimate the fair values of the above financial instruments at 31 December 2019 and 31 December 2018:

The carrying amount of cash and balances with central banks, due from and due to banks, other borrowed funds as well as accrued interest, approximates their fair value.

Loans and advances to customers at amortised cost: The fair value of loans and advances to customers at amortised cost is estimated using discounted cash flow models. The discount rates are based on current market interest rates offered for instruments with similar terms to borrowers of similar credit quality.

Investment securities at amortised cost: The fair value of investment securities at amortised cost is estimated using market prices, or using discounted cash flow models based on current market interest rates offered for instruments with similar credit quality.

Due to customers: The fair value for demand deposits and deposits with no defined maturity is determined to be the amount payable on demand at the reporting date. The fair value for fixed-maturity deposits is estimated using discounted cash flow models based on rates currently offered for the relevant product types with similar remaining maturities.

Debt securities in issue: Fair value is estimated using market prices, or if such are not available, using a discounted cash flow analysis, based on current market rates of similar maturity and credit quality debt securities.

b. Financial instruments measured at fair value

The tables below present the fair values of those financial assets and liabilities presented on the Group's and the Bank's Statement of Financial Position at fair value by fair value measurement level at 31 December 2019 and 31 December 2018:

Financial instruments measured at fair value - Group

As at 31 December 2019	Fair value measurement using			
	Level 1	Level 2	Level 3	Total asset/ liability at fair value
Financial Assets				
Financial assets at fair value through profit or loss	257	117	-	374
Financial assets mandatorily at fair value through profit or loss	65	15	136	216
Derivative financial instruments	9	4,819	5	4,833
Investment securities at fair value through other comprehensive income	616	2,187	34	2,837
Total	**947**	**7,138**	**175**	**8,260**
Financial Liabilities				
Due to customers designated as at fair value through profit or loss	-	279	-	279
Derivative financial instruments	4	2,862	4	2,870
Total	**4**	**3,141**	**4**	**3,149**

As at 31 December 2018	Fair value measurement using			
	Level 1	Level 2	Level 3	Total asset/ liability at fair value
Financial Assets				
Financial assets at fair value through profit or loss	375	675	-	1,050
Financial assets mandatorily at fair value through profit or loss	156	3,287	159	3,602
Derivative financial instruments	30	3,753	8	3,791
Investment securities at fair value through other comprehensive income	827	1,693	48	2,568
Total	**1,388**	**9,408**	**215**	**11,011**
Financial Liabilities				
Due to customers designated as at fair value through profit or loss	-	1,043	-	1,043
Derivative financial instruments	12	2,115	4	2,131
Total	**12**	**3,158**	**4**	**3,174**

Financial instruments measured at fair value - Bank

As at 31 December 2019	Fair value measurement using			
	Level 1	Level 2	Level 3	Total asset/ liability at fair value
Financial Assets				
Financial assets at fair value through profit or loss	237	118	-	355
Financial assets mandatorily at fair value through profit or loss	60	16	136	212
Derivative financial instruments	9	4,819	5	4,833
Investment securities at fair value through other comprehensive income	616	2,106	33	2,755
Total	**922**	**7,059**	**174**	**8,155**
Financial Liabilities				
Due to customers designated as at fair value through profit or loss	-	279	-	279
Derivative financial instruments	4	2,863	3	2,870
Total	**4**	**3,142**	**3**	**3,149**

As at 31 December 2018	Fair value measurement using			
	Level 1	Level 2	Level 3	Total asset/ liability at fair value
Financial Assets				
Financial assets at fair value through profit or loss	368	675	-	1,043
Financial assets mandatorily at fair value through profit or loss	152	3,287	159	3,598
Derivative financial instruments	30	3,753	8	3,791
Investment securities at fair value through other comprehensive income	827	1,612	48	2,487
Total	**1,377**	**9,327**	**215**	**10,919**
Financial Liabilities				
Due to customers designated as at fair value through profit or loss	-	1,043	-	1,043
Derivative financial instruments	12	2,115	4	2,131
Total	**12**	**3,158**	**4**	**3,174**

The tables below present the fair values for the assets and liabilities classified as held-for-sale in the Group’s and the Bank's Statement of Financial Position and measured at fair value for 31 December 2019 and 2018:

Held for Sale Operations - Financial instruments measured at fair value - Group

As at 31 December 2019	Fair value measurement using			
	Level 1	Level 2	Level 3	Total asset/ liability at fair value
Financial Assets				
Financial assets at fair value through profit or loss	4	71	-	75
Derivative financial instruments	-	1	-	1
Investment securities at fair value through other comprehensive income	1,095	1,612	12	2,719
Insurance related assets and receivables	130	133	-	263
Total	**1,229**	**1,817**	**12**	**3,058**

Held for Sale Operations - Financial instruments measured at fair value - Bank

As at 31 December 2019	Fair value measurement using			
	Level 1	Level 2	Level 3	Total asset/ liability at Fair value
Financial Assets				
Financial assets at fair value through profit or loss	-	55	-	55
Total	**-**	**55**	**-**	**55**

Held for Sale Operations - Financial instruments measured at fair value - Group

As at 31 December 2018	Fair value measurement using			
	Level 1	Level 2	Level 3	Total asset/ liability at fair value
Financial Assets				
Financial assets at fair value through profit or loss	3	61	-	64
Derivative financial instruments	-	1	-	1
Investment securities at fair value through other comprehensive income	1,016	993	6	2,015
Insurance related assets and receivables	151	119	-	270
Total	**1,170**	**1,174**	**6**	**2,350**

Held for Sale Operations - Financial instruments measured at fair value - Bank

As at 31 December 2018	Fair value measurement using			
	Level 1	Level 2	Level 3	Total asset/ liability at Fair value
Financial Assets				
Financial assets at fair value through profit or loss	-	50	-	50
Total	**-**	**50**	**-**	**50**

Transfers between Level 1 and Level 2

As at 31 December 2019, certain fair value through profit or loss securities issued by ESM and EFSF for which the Group determined that sufficient liquidity and trading did not exist as of that date, have been transferred from Level 1 to Level 2 according to the Group's fair value hierarchy policy. The carrying amount of the fair value through profit or loss securities transferred as at 31 December 2019 was €85 million.

As at 31 December 2018, there were no transfers of financial assets or liabilities between fair value hierarchy levels according to the Group fair value hierarchy policy.

All transfers between levels are assumed to take place at the end of the reporting period.

Level 3 financial instruments

Level 3 financial instruments at 31 December 2019 and 31 December 2018 include:

(a) Derivative products, which are valued using valuation techniques with significant unobservable inputs, including certain correlation products, such as correlation between various interest indices. They also include derivatives for which the CVA is based on significant unobservable inputs and the amount of the CVA is significant relative to the total fair value of the derivative.

(b) Securities mandatorily at fair value through profit or loss, for which the models used to estimate their fair value is based on unobservable credit spreads or which are price-based and the price is obtained from the issuers of the securities. They also include loans and advances to customers mandatorily measured at fair value through profit or loss, valued using discounted cash flow valuation techniques incorporating unobservable credit spreads.

(c) Equity securities at fair value through other comprehensive income, which are not traded in active markets and their fair value is estimated using an income or market approach, for which the main inputs used are not market observable.

The table below presents a reconciliation of all Level 3 fair value measurements for the year ended 31 December 2019 and 31 December 2018, including realized and unrealized gains/(losses) included in the "Income Statement" and "Statement of Other Comprehensive Income".

Transfers into or out of Level 3

The Group conducts a review of the fair value hierarchy classifications on a quarterly basis.

For the year ended 31 December 2019, transfers from Level 2 into Level 3 include equity securities no longer traded in active markets.

For the year ended 31 December 2018, transfers from Level 2 into Level 3 include derivative instruments for which the bilateral CVA adjustment is significant to the base fair value of the respective instruments.

Reconciliation of fair value measurements in Level 3 – Group

	2019		
	Net derivative financial instruments	Investment securities at FVTOCI	Mandatorily at FVTPL
Balance at 1 January	**4**	**48**	**159**
Gain/(loss) included in Income Statement	(1)	-	(18)
Gain/(loss) included in OCI	-	(2)	-
Purchases	-	1	12
Sales	-	(14)	(1)
Settlements	(1)	-	(16)
Transfer into/(out of) level 3	-	1	-
Balance at 31 December	**2**	**34**	**136**

	2018			
	Net derivative financial instruments	Available-for-sale investment securities	Investment securities at FVTOCI	Mandatorily at FVTPL
Balance at 1 January	**8**	**8**	**-**	**-**
Impact of IFRS 9	-	(8)	24	185
Balance at 1 January	**8**	**-**	**24**	**185**
Gain/(loss) included in Income Statement	5	-	-	4
Gain/(loss) included in OCI	-	-	1	-
Purchases	-	-	23	-
Sales	-	-	-	(1)
Settlements	(3)	-	-	(29)
Transfer into/(out of) level 3	(6)	-	-	-
Balance at 31 December	**4**	**-**	**48**	**159**

Reconciliation of fair value measurements in Level 3 – Bank

	2019		
	Net derivative financial instruments	Investment securities at FVTOCI	Mandatorily at FVTPL
Balance at 1 January	**4**	**48**	**159**
Gain/(loss) included in Income Statement	(1)	-	(18)
Gain/(loss) included in OCI	-	(2)	-
Purchases	-	1	12
Sales	-	(14)	(1)
Settlements	(1)	-	(16)
Transfer into/(out of) level 3	-	1	-
Balance at 31 December	**2**	**33**	**136**

	2018			
	Net derivative financial instruments	Available-for-sale investment securities	Investment securities at FVTOCI	Mandatorily at FVTPL
Balance at 1 January	**-**	**8**	**-**	**-**
Impact of IFRS 9	-	(8)	23	185
Balance at 1 January	**-**	**-**	**23**	**185**
Gain/(loss) included in Income Statement	13	-	-	4
Gain/(loss) included in OCI	-	-	1	-
Purchases	-	-	24	-
Sales	-	-	-	(1)
Settlements	(3)	-	-	(29)
Transfer into/(out of) level 3	(6)	-	-	-
Balance at 31 December	**4**	**-**	**48**	**159**

Changes in unrealised gains/(losses) included in the income statement of financial instruments measured at fair value using significant unobservable inputs (Level 3), relate to financial assets mandatorily at fair value through profit or loss and net derivative financial instruments, and amount to €(18) million and €1 million respectively, for the Group and the Bank, for the year ended 31 December 2019 and for the year ended 31 December 2018 amount to €3 million and €6 million respectively, for the Group and the Bank.

Valuation Process and Control Framework

The Group has various processes in place to ensure that the fair values of its assets and liabilities are reasonably estimated and has established a control framework which is designed to ensure that fair values are validated by functions independent of the risk-taker. To that end, the Group utilizes various sources for determining the fair values of its financial instruments and uses its own independent functions to validate these results, where possible.

Fair values of debt securities are determined either by reference to prices for traded instruments in active markets, to external quotations or widely accepted financial models, which are based on market observable or unobservable information where the former is not available, as well as relevant market based parameters such as interest rates, option volatilities, currency rates, etc.

The Group may, sometimes, also utilize third-party pricing information, and perform validating procedures on this information to the extent possible or base its fair value on the latest transaction prices available, given the absence of an active market or similar transactions or other market observable inputs. All such instruments are categorized within the lowest level of fair value hierarchy (i.e. Level 3).

Generally, fair values of debt securities, including significant inputs on the valuation models are independently checked and validated by the Middle Office and Risk Management Function on a systematic basis.

Fair values of derivatives are determined by Management using valuation models which include discounted cash-flow models, option pricing models or other appropriate models. Adequate control procedures are in place for the validation of these models, including the valuation inputs, on a systematic basis. Middle Office and Risk Management functions provide the control valuation framework necessary to ensure that the fair values are reasonably determined, reflecting current market circumstances and economic conditions. Furthermore, over-the-counter derivatives are also compared on a daily basis with counterparties' valuations, under the daily collateral management process.

Market Valuation Adjustments

Counterparty credit risk-adjustments are applied to all over-the-counter derivatives. Own credit-risk adjustments are applied to reflect the Group's own credit risk when valuing derivatives. Bilateral credit-risk adjustments consider the expected cash flows between the Group and its counterparties under the relevant terms of the derivative instruments and the effect of the credit-risk profile of the counterparties on the valuation of these cash flows. Where appropriate, the Group takes into consideration the credit-risk mitigating arrangements, including collateral agreements and master netting arrangements, for the purpose of estimating own and counterparty credit risk valuation adjustments.

Quantitative Information about Level 3 Fair Value Measurements | 31 December 2019

Financial Instrument	Fair Value	Valuation Technique	Significant Unobservable Input	Range of Inputs	
				Low	High
Investment securities mandatorily at fair value through profit or loss	9	Price based	Price	93.76	100.00
	1	Discounted Cash Flows	Credit Spread	729 bps	729 bps
Other Derivatives	2	Discounted Cash Flows, Internal Model (for CVA/DVA)	Credit Spread	91 bps	697 bps
Investment Securities at fair value through other comprehensive income	34	Income and market approach	n/a[1]	n/a[1]	n/a[1]
Loans and advances to customers mandatorily at fair value through profit or loss	127	Discounted Cash Flows	Credit Spread	300 bps	650 bps

[1] Equity securities at fair value through other comprehensive income include equity securities which are not traded in active markets. In the absence of an active market we estimate the fair value of these securities using a market or an income valuation approach. Given the bespoke nature of the valuation method in respect of each holding, it is not practicable to quote a range of unobservable inputs.

Quantitative Information about Level 3 Fair Value Measurements | 31 December 2018

Financial Instrument	Fair Value	Valuation Technique	Significant Unobservable Input	Range of Inputs	
				Low	High
Investment securities mandatorily at fair value through profit or loss	8	Price based	Price	93.76	100.00
	18	Discounted Cash Flows	Credit Spread	316 bps	366 bps
Interest Rate Derivatives	3	Discounted Cash Flows	Constant Maturity Swap correlation between different tenors	-50.00%	100.00%
Other Derivatives	1	Discounted Cash Flows, Internal Model (for CVA/DVA)	Credit Spread	814 bps	1360 bps
Investment Securities at fair value through other comprehensive income	48	Income and market approach	n/a[1]	n/a[1]	n/a[1]
Loans and advances to customers mandatorily at fair value through profit or loss	133	Discounted Cash Flows	Credit Spread	300 bps	650 bps

[1] Equity securities at fair value through other comprehensive income include equity securities which are not traded in active markets. In the absence of an active market we estimate the fair value of these securities using a market or an income valuation approach. Given the bespoke nature of the valuation method in respect of each holding, it is not practicable to quote a range of unobservable inputs.

Sensitivity of Fair Value Measurements to Changes in Unobservable Inputs

For structured interest rate derivatives, a significant change in the correlation inputs (e.g. the degree of correlation between two different interest rates, or between interest rates and foreign exchange rates) would have a significant impact on the fair value of the individual instrument; however, the magnitude and the direction of the impact depends on whether the Group is long or short the exposure, among other factors. Due to the limited exposure that the Group has to these instruments, a reasonable change in the above unobservable inputs would not be significant to the Group. Additionally, interest rate derivatives include interest rate swaps for which the bilateral credit valuation adjustment is significant in comparison to their fair value. The counterparty credit-risk adjustment in these cases is mainly driven by the internal ratings of the counterparty. A reasonable increase in the credit spread of these entities would result in an insignificant change in the fair value of the Group's and the Bank's financial instruments.

Other derivatives include derivatives for which the bilateral credit valuation adjustment is significant in comparison to their fair value. In these cases, the counterparty credit risk adjustment is mainly driven by the internal ratings of the counterparty. A reasonable increase in the credit spread of these entities would result in an insignificant change in the fair value of the Group's and the Bank's financial instruments.

For loans and advances to customers mandatorily measured at fair value through profit or loss, the valuation includes a parameter which is not observable in the market, i.e. the credit spread of the client. A reasonable increase in the respective credit spreads used would not have a significant effect on their fair value for the Group and the Bank.

4.9 Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount is reported in the Statement of Financial Position where the Group and the Bank currently have a legally enforceable right to set-off the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The Group and the Bank enter into various master netting arrangements or similar agreements that do not meet the criteria set by the applicable accounting guidance for offsetting in the Statement of Financial Position but still allow for the related amounts to be set off in the event of a default by the counterparty (such as bankruptcy or a failure to pay or perform). The table below presents the recognised financial instruments that are either offset or subject to master netting arrangements or similar agreements but not offset, as at 31 December 2019 and 2018, and shows under "Net amount" what the net impact would be on the Group's and the Bank's Statement of Financial Position if all set-off rights were exercised.

a. Financial assets subject to offsetting, enforceable netting arrangements and similar agreements

		Group					Bank				
At 31 December 2019		Derivative instruments (1)	Reverse repurchase agreements (2)	Financial assets mandatorily classified at FVPTL	Deposits in margin accounts (2)	**Total**	Derivative instruments (1)	Reverse repurchase agreements (2)	Financial assets mandatorily classified at FVPTL	Deposits in margin accounts (2)	**Total**
Gross amounts of recognised financial assets		**5,276**	**175**	**-**	**4,104**	**9,555**	**5,276**	**175**	**-**	**4,104**	**9,555**
Positive market values from derivative financial instruments that have been offset		(443)	-	-	-	**(443)**	(443)	-	-	-	**(443)**
Negative market values from derivative financial instruments		-	-	-	(1,206)	**(1,206)**	-	-	-	(1,206)	**(1,206)**
Net amounts of financial assets presented in the Statement of Financial Position		**4,833**	**175**	**-**	**2,898**	**7,906**	**4,833**	**175**	**-**	**2,898**	**7,906**
Related amounts not set off in the Statement of Financial Position	Financial instruments	(522)	(175)	-	-	**(697)**	(522)	(175)	-	-	**(697)**
	Cash collateral received	(789)	-	-	-	**(789)**	(789)	-	-	-	**(789)**
Net amount		**3,522**	**-**	**-**	**2,898**	**6,420**	**3,522**	**-**	**-**	**2,898**	**6,420**

(1) *Included in Derivative assets in the Statement of Financial Position of the Group and the Bank as at 31 December 2019.*

(2) *Included in Due from Banks in the Statement of Financial Position of the Group and the Bank respectively, as at 31 December 2019.*

At 31 December 2018		Group: Derivative instruments (1)	Group: Reverse repurchase agreements (2)	Group: Financial assets mandatorily classified at FVPTL	Group: Deposits in margin accounts (2)	Group: Total	Bank: Derivative instruments (1)	Bank: Reverse repurchase agreements (2)	Bank: Financial assets mandatorily classified at FVPTL	Bank: Deposits in margin accounts (2)	Bank: Total
Gross amounts of recognised financial assets		**4,191**	**761**	**3,283**	**1,374**	**9,609**	**4,191**	**761**	**3,283**	**1,374**	**9,609**
Positive market values from derivative financial instruments that have been offset		(400)	-	-	-	**(400)**	(400)	-	-	-	**(400)**
Negative market values from derivative financial instruments		-	-	-	(274)	**(274)**	-	-	-	(274)	**(274)**
Net amounts of financial assets presented in the Statement of Financial Position		**3,791**	**761**	**3,283**	**1,100**	**8,935**	**3,791**	**761**	**3,283**	**1,100**	**8,935**
Related amounts not set off in the Statement of Financial Position	Financial instruments	(1,884)	(761)	(3,283)	-	**(5,928)**	(1,884)	(761)	(3,283)	-	**(5,928)**
	Cash collateral received	(752)	-	-	-	**(752)**	(752)	-	-	-	**(752)**
Net amount		**1,155**	**-**	**-**	**1,100**	**2,255**	**1,155**	**-**	**-**	**1,100**	**2,255**

(1) *Included in Derivative assets in the Statement of Financial Position of the Group and the Bank as at 31 December 2018.*

(2) *Included in Due from Banks in the Statement of Financial Position of the Group and the Bank respectively, as at 31 December 2018.*

b. Financial liabilities subject to offsetting, enforceable netting arrangements and similar agreements

At 31 December 2019		Group: Derivative instruments (1)	Group: Repurchase agreements	Group: Total	Bank: Derivative instruments (1)	Bank: Repurchase agreements	Bank: Total
Gross amounts of recognised financial liabilities		**4,519**	**500**	**5,019**	**4,519**	**500**	**5,019**
Negative market values from derivative financial instruments that have been offset		(443)	-	**(443)**	(443)	-	**(443)**
Deposits in margin accounts		(1,206)	-	**(1,206)**	(1,206)	-	**(1,206)**
Net amounts of financial liabilities presented in the Statement of Financial Position		**2,870**	**500**	**3,370**	**2,870**	**500**	**3,370**
Related amounts not set off in the Statement of Financial Position	Financial instruments	(1,344)	(500)	**(1,844)**	(1,344)	(500)	**(1,844)**
	Cash collateral pledged	(1,072)	-	**(1,072)**	(1,072)	-	**(1,072)**
Net amount		**454**	**-**	**454**	**454**	**-**	**454**

(1) *Included in Derivative liabilities in the Statement of Financial Position of the Group and the Bank as at 31 December 2019.*

At 31 December 2018		Group: Derivative instruments (1)	Group: Repurchase agreements (2)	Group: Total	Bank: Derivative instruments (1)	Bank: Repurchase agreements (2)	Bank: Total
Gross amounts of recognised financial liabilities		**2,805**	**4,110**	**6,915**	**2,805**	**4,110**	**6,915**
Negative market values from derivative financial instruments that have been offset		(400)	-	**(400)**	(400)	-	**(400)**
Deposits in margin accounts		(274)	-	**(274)**	(274)	-	**(274)**
Net amounts of financial liabilities presented in the Statement of Financial Position		**2,131**	**4,110**	**6,241**	**2,131**	**4,110**	**6,241**
Related amounts not set off in the Statement of Financial Position	Financial instruments	(1,078)	(4,110)	**(5,188)**	(1,078)	(4,110)	**(5,188)**
	Cash collateral pledged	(671)	-	**(671)**	(671)	-	**(671)**
Net amount		**382**	**-**	**382**	**382**	**-**	**382**

(1) *Included in Derivative liabilities in the Statement of Financial Position of the Group and the Bank as at 31 December 2018.*

(2) *Of which, €4,099 million included in Due to Banks and €11 million included in Due to Customers in the Statement of Financial Position of the Group and the Bank as at 31 December 2018.*

NOTE 5: Segment reporting

The Group manages its business through the following business segments:

Retail banking

Retail banking includes all individual customers, professionals, small-medium and small-sized companies (companies with annual turnover of up to €2.5 million) except for exposures transferred to the Special Assets Unit (“SAU”). The Bank, through its extended network of branches, offers to its retail customers various types of loans, deposit and investment products, as well as a wide range of other traditional services and products.

Corporate & investment banking

Corporate & investment banking includes lending to all large and medium-sized companies and shipping finance except for exposures transferred to the SAU and investment banking activities. The Group offers its corporate customers a wide range of products and services, including financial and investment advisory services, deposit accounts, loans (denominated in both euro and foreign currency), foreign exchange and trade service activities.

Special Assets Unit ("SAU")

In order to (a) manage more effectively delinquent, non-performing and denounced loans to legal entities, and (b) ensure compliance with the provisions of the Bank of Greece Executive Committee Act 42/30.5.2014 and Act 47/9.2.2015 and the Code of Conduct (referred to in Article 1(2) of Greek Law 4224/2013), the Bank established the SAU, which has the overall responsibility for the management of such loans to legal entities (end-to-end responsibility).

Global markets and asset management

Global markets and asset management includes all treasury activities, private banking, asset management (mutual funds and closed end funds), custody services, private equity and brokerage.

Insurance

The Group offers a wide range of insurance products through its subsidiary company, NIC and other subsidiaries in SEE. NIC is classified as Held for Sale and Discontinued Operations (see Note 29).

International banking operations

The Group's international banking activities include a wide range of traditional commercial banking services, such as commercial and retail credit, trade financing, foreign exchange and taking of deposits. In addition, the Group offers shipping finance, investment banking and brokerage services through certain of its foreign branches and subsidiaries. As of 30 September 2017, Banka Romaneasca S.A. ("Romaneasca", "BROM") and as of 31 December 2018, NBG Cyprus and NBG Cairo branch were classified as Held for Sale and Discontinued Operations. On 30 December 2019, the Unconditional Date, the Bank lost control of BROM and proceeded with derecognition of its assets and liabilities due to the fact that at that date were fulfilled all the conditions agreed between NBG and EximBank.

Other

Includes proprietary real estate management, warehousing business as well as unallocated income and expense of the Group (interest expense of subordinated debt, loans to personnel etc.) and intersegment eliminations. As of 31 March 2019, NBG Pangaea REIC was classified as Held for Sale and Discontinued Operations. On 23 May 2019, the disposal of NBG Pangaea REIC was completed (see Note 43).

12 month period ended 31.12.2019	Retail Banking	Corporate & Investment Banking	SAU	Global markets & Asset Management	Insurance	International Banking Operations	Other	Group
Net interest income	393	445	115	178	-	63	(8)	**1,186**
Net fee and commission income	123	92	5	19	-	13	3	**255**
Other	(27)	(14)	(3)	275	-	5	4	**240**
Total income	**489**	**523**	**117**	**472**	**-**	**81**	**(1)**	**1,681**
Direct costs	(385)	(42)	(14)	(31)	-	(38)	(207)	**(717)**
Allocated costs and provisions[1]	(612)	61	10	(2)	-	(35)	(116)	**(694)**
Profit / (loss) before tax	**(508)**	**542**	**113**	**439**	**-**	**8**	**(324)**	**270**
Tax benefit / (expense)								**(13)**
Profit for the period from continuing operations								**257**
Non-controlling interests								**(18)**
Profit/(loss) for the period from discontinued operations					(460)	(44)	10	**(494)**
Loss attributable to NBG equity shareholders								**(255)**

[1] *Includes depreciation and amortisation on investment property, property & equipment, software & other intangible assets.*

Depreciation and amortisation	77	4	1	3	-	4	37	**126**
Credit provisions and other impairment charges	435	(92)	(33)	(8)	-	35	5	**342**
Non current asset additions	6	-	-	1	-	3	129	**139**

Breakdown by business segment

12 month period ended 31.12.2018	Retail Banking	Corporate & Investment Banking	SAU	Global markets & Asset Management	Insurance	International Banking Operations	Other	Group
Net interest income	437	438	112	57	-	62	7	**1,113**
Net fee and commission income	121	81	4	18	-	13	4	**241**
Other	5	(28)	(21)	20	-	4	(51)	**(71)**
Total income	**563**	**491**	**95**	**95**	**-**	**79**	**(40)**	**1,283**
Direct costs	(448)	(45)	(15)	(33)	-	(47)	12	**(576)**
Allocated costs and provisions[2]	(432)	49	(132)	21	-	(12)	(188)	**(694)**
Profit / (loss) before tax	**(317)**	**495**	**(52)**	**83**	**-**	**20**	**(216)**	**13**
Tax benefit / (expense)								**(26)**
Loss for the period from continuing operations								**(13)**
Non controlling interests								**34**
Profit / (loss) for the period from discontinued operations					59	-	(96)	**(37)**
Loss attributable to NBG equity shareholders								**(84)**
Depreciation, amortisation & impairment charges[2]	34	3	1	2	-	3	30	**73**
Credit provision and other impairment charges	243	(78)	108	(31)	-	12	56	**310**

[2] Includes depreciation and amortisation on investment property, property & equipment, software & other intangible assets.

Breakdown by business segment

	Retail Banking	Corporate & Investment Banking	SAU	Global Markets & Asset Management	Insurance	International Banking Operations	Other	Group
Segment assets as at 31 December 2019								
Segment assets	14,356	12,431	1,163	13,771	-	2,327	10,314	**54,362**
Current income tax advance and deferred tax assets								**5,277**
Non-current assets held for sale	95	296	-	-	3,441	762	15	**4,609**
Total assets								**64,248**
Segment liabilities as at 31 December 2019								
Segment liabilities	36,343	3,229	148	8,170	-	1,557	5,918	**55,365**
Current income and deferred tax liabilities								**13**
Liabilities associated with non-current assets held for sale	-	-	-	-	2,831	762	-	**3,593**
Total liabilities								**58,971**

	Retail Banking	Corporate & Investment Banking	SAU	Global Markets & Asset Management	Insurance	International Banking Operations	Other	Group
Segment assets as at 31 December 2018								
Segment assets	15,597	11,446	1,773	11,444		2,422	11,924	**54,606**
Current income tax advance and deferred tax assets								**5,268**
Non-current assets held for sale	-	-	-	-	3,156	2,045	20	**5,221**
Total assets								**65,095**
Segment liabilities as at 31 December 2018								
Segment liabilities	34,543	2,706	191	12,065	-	1,921	3,916	**55,342**
Current income and deferred tax liabilities								**23**
Liabilities associated with non-current assets held for sale	-	-	-	-	2,342	1,750	-	**4,092**
Total liabilities								**59,457**

Breakdown by location

12 month period ended 31 December 2019	Greece	S.E. Europe	Other	Group
Net interest income	1,123	55	8	**1,186**
Net fee and commission income	242	13	-	**255**
Other	235	3	2	**240**
Total income	**1,600**	**71**	**10**	**1,681**
Direct costs	(679)	(33)	(5)	**(717)**
Allocated costs and provisions[(1)]	(659)	(33)	(2)	**(694)**
Profit before tax	**262**	**5**	**3**	**270**
Tax benefit / (expense)				**(13)**
Profit for the period from continuing operations				**257**
Non-controlling interests				**(18)**
Discontinued operations	(402)	(28)	(64)	**(494)**
Loss attributable to NBG equity shareholders				**(255)**
Depreciation and amortisation[(1)]	122	4	-	**126**
Credit provisions and other impairment charges	307	33	2	**342**
Non-current asset additions	136	3	-	**139**
Non-current assets	2,366	45	4	**2,415**

Breakdown by location

12 month period ended 31 December 2018	Greece	S.E. Europe	Other	Group
Net interest income	1,051	57	5	**1,113**
Net fee and commission income	228	12	1	**241**
Other	(74)	3	-	**(71)**
Total income	**1,205**	**72**	**6**	**1,283**
Direct costs	(532)	(40)	(3)	**(575)**
Allocated costs and provisions[(1)]	(683)	(2)	(10)	**(695)**
Profit before tax	**(10)**	**30**	**(7)**	**13**
Tax benefit / (expense)				**(26)**
Loss for the period from continuing operations				**(13)**
Non-controlling interests				**(34)**
Profit/(loss) for the period from discontinued operations	33	(14)	(56)	**(37)**
Loss attributable to NBG equity shareholders				**(84)**
Depreciation and amortisation[(1)]	70	3	-	**73**
Credit provisions and other impairment charges	298	2	10	**310**
Non-current asset additions	143	2	-	**145**
Non-current assets	2,378	46	1	**2,425**

[(1)] Includes depreciation and amortisation on investment property, property & equipment, software & other intangible assets.

NOTE 6: Net interest income

	Group		Bank	
Continuing Operations	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Interest earned on:				
Amounts due from banks	12	14	13	19
Financial assets at fair value through profit or loss	5	18	5	18
Investment securities	209	86	204	81
Loans and advances to customers	1,207	1,216	1,113	1,126
Interest and similar income	**1,433**	**1,334**	**1,335**	**1,244**
Interest payable on:				
Amounts due to banks	(34)	(50)	(36)	(55)
Amounts due to customers	(154)	(146)	(142)	(133)
Debt securities in issue and other borrowed funds	(41)	(25)	(41)	(24)
Lease liability	(18)	-	(46)	-
Interest expense and similar charges	**(247)**	**(221)**	**(265)**	**(212)**
Net interest income	**1,186**	**1,113**	**1,070**	**1,032**

NOTE 7: Net fee and commission income

	Group		Bank	
Continuing Operations	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Custody, brokerage & investment banking	10	10	4	4
Retail lending fees	44	37	40	32
Corporate lending fees	89	90	81	82
Banking fees & similar charges	101	93	100	93
Fund management fees	11	11	-	1
Net fee and commission income	**255**	**241**	**225**	**212**

NOTE 8: Net trading income / (loss) and results from investment securities

	Group		Bank	
Continuing Operations	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Net trading result and other net unrealized gains / (losses) from financial instruments	71	(46)	72	(49)
Net gain / (loss) from disposal of investment debt securities	110	55	110	55
Total	**181**	**9**	**182**	**6**

In February 2019, NBG exchanged the Swap with the Hellenic Republic for three Greek government bonds maturing in 2023, 2025 and 2026 with a total nominal value of €3,314 million and fair value of €3,282 million. A gain of €65 million was recognized from the transaction in net trading result and other net unrealized gains/(losses) from financial instruments, which includes the release of the CVA on the Swap with the Hellenic Republic.

Net trading result and other net unrealized gains/(losses) from financial instruments also includes gains of €22 million for the Group and the Bank relating to the bilateral CVA of derivatives (2018 : losses of €(16) million).

NOTE 9: Net other income / (expenses)

	Group		Bank	
Continuing Operations	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Income from non-banking activities	66	27	37	2
Dividends	5	2	11	180
Deposit Insurance Premium	(54)	(58)	(51)	(56)
Withholding taxes and duties on loans granted	(58)	(59)	(57)	(59)
Total	**(41)**	**(88)**	**(60)**	**67**

Contributions to Deposit Insurance and Resolution Funds for the Bank includes €34 million regarding the regular contribution to the Hellenic Deposit and Investment Guarantee Fund ("HDIGF") Resolution Leg (2018: €32 million) and €17 million contribution towards the Single Resolution Fund ("SRF") (2018: €24 million).

NOTE 10: Personnel expenses

	Group		Bank	
Continuing Operations	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Salaries and other staff related benefits	591	548	562	518
Pension costs: defined benefit plans (see Note 11)	11	12	10	10
Total	**602**	**560**	**572**	**528**

Salaries and other staff related benefits include the amount of €26 million (2018: €26 million) paid to IKA-ETAM in accordance with Greek Law 3655/2008, after the incorporation of the Bank's main pension fund into the main pension branch of the state sponsored social security fund IKA–ETAM as of 1 August 2008. This amount will be paid annually to IKA-ETAM for the next 4 years up to 2023 (see Note 11).

Salaries and other staff related benefits also include €90 million relating to additional social security for employees insured with LEPETE for the years 2018-2019 (see Note 11).

The average number of employees from continuing operations for the Group during the period 1 January 2019 up to 31 December 2019 was 9,900 (2018: 10,606) and for the Bank was 8,536 (2018: 9,195). The decrease in the number of employees in 2019 is due to the ongoing Voluntary Exit Scheme ("VES"), in which 836 and 814 employees for the Group and the Bank, respectively, participated in the scheme (see Note 11). The scheme ended on 10 February 2020.

NOTE 11: Retirement benefit obligation

I. Defined Contribution Plans

National Bank of Greece Pension Plan

In accordance with Greek Law 3655/2008, applicable from April 2008, the Bank's main pension plan, which was a defined-contribution plan, has been incorporated into the main pension branch of the state sponsored social security fund IKA–ETAM as of 1 August 2008. Pursuant to Greek Law 3655/2008, the Bank will contribute €26 million per annum into IKA–ETAM for 15 years starting from December 2009. This legislation also prescribes that employer contributions made by the Bank will be reduced every three years in equal increments from 26.50% in 2013 until they reach 13.33% of employees' gross salary, for employees who joined any social security plan prior to 1 January 1993.

However, in accordance with Greek Law 4387/2016 and Ministry decision number F11321/OIK.45947/1757/2016 (Govt. Gazette 4458/B/30.12.2016, from 1 January 2017, the Bank's employer contributions will be reduced equally every year until they reach 13.33% in 2020 (31 December 2018: 16.66%, 31 December 2017: 18.27%). Additionally, the aforementioned law introduced a maximum gross monthly income of 5,860.80 euros, upon which social security contributions are calculated, (the amount was increased to 6,500 euros from 1 February 2019). Employer contributions for employees, who joined any social security fund post 1 January 1993, will remain at 13.33%.

National Bank of Greece Auxiliary Pension Plan ("LEPETE")

Status of open litigation between the Bank and LEPETE and former employees

The Bank, up to October 2017, provided financial assistance to the Auxiliary Pension Plan ("LEPETE") in order for LEPETE to cover cash shortfalls. Subsequently, the Board of Directors decided that the Bank would not provide any additional assistance to LEPETE from October 2017 onwards. Since February 2018, LEPETE has ceased making payments to the pensioners. There are pending legal actions against the Bank from LEPETE and former employees who are disputing the defined contribution status of the plan, claiming that the Bank has an obligation to cover any deficit arising.

Up to 11 March 2020, nine applications for preliminary injunctions were rejected, 21 temporary injunctive measures were ruled in favour of the Bank, whereas six injunction orders were ruled in favour of former employees. For these six injunction orders against the Bank, the Bank recognises the relevant expense as incurred. Up to 11 March 2020, the Bank has paid a total of €755 thousand. Furthermore, there have been 114 legal claims of which 108 have been heard in court and 69 decisions have been issued. 20 first instance court decisions were not in favour of the Bank, and the Bank has filed 14 appeals while 49 decisions were in favour of the Bank for which 45 appeals have been filed until now. It is noted that the Bank has appealed directly to the Supreme Court for one of the above 20 negative decisions. The appeal was heard before the Supreme Court on 17 December 2019 and the decision is pending. In the same case, the Bank has filed for interim measures of suspension of the unfavourable decision and the Supreme Court has approved the application and granted the requested interim measures.

The Bank has not made any payment yet with respect to any of the decisions against it and has not recorded any provisions for these pending legal actions, since Management has assessed that the likelihood of the final outcome of the outstanding legal claims being negative is remote.

Introduction of Greek Law 4618/2019

On 10 June 2019 a legislative amendment (Greek Law 4618/2019 art.24) was enacted effectively transferring Bank employees and pensioners from LEPETE to Unified Fund for Auxiliary Insurance and Lump Sum Benefits ("ETEAEP"), the state auxiliary pension plan. The legislative amendment stipulated, inter alia, that the Bank should cover the following costs:

(a) the normal employer's contributions for the employees transferred to ETEAEP, from 1 January 2019 and onwards. The applicable rates are 3.50% from 1 January to 31 May 2019, 3.25% from 1 June 2019 to 31 May 2022 and 3.00% from 1 June 2022 and onwards;

(b) a retrospective payment in relation to the 2018 pensions to be calculated on the basis provided by Greek Law 4618/2019. This amount has been estimated by the Bank at €50 million. The Greek Law 4618/2019 provides that the 1/5 of the total amount was payable by 31 August 2019 whereas the remaining amount is due in instalments and at the latest by 31 December 2020;

(c) supplementary social security contributions of €40 million per annum from 2019 to 2023;

(d) supplementary employer's contributions from 1 January 2024 onwards to be defined following a study to be prepared by the Greek National Actuarial Authority. The Bank cannot provide a reasonable estimate of the related costs, as Greek Law 4618/2019 does not provide the basis under which the relevant study would be carried out, nor the required clarity as to the extent that any shortfalls would be covered by the Bank; and

(e) the normal employees' contributions for the period from 1 January to 31 May 2019, only.

Further to this legislative amendment and related Ministerial Decision 28153/276/21.6.2019, on 5 July 2019, the Bank addressed a statement to ETEAEP informing it that it will continue to pay to ETEAEP, as from 1 June 2019 onwards, the corresponding, in accordance with the applicable provisions, auxiliary pension employer's and employee's contributions with regard to the persons (employees) who had been insured by LEPETE up to the enactment of the aforementioned legislative amendment. The Bank also pointed out that any private relationship between the Bank and LEPETE has been terminated and thus no payment of any kind will be made in future.

On 2 July 2019 and 29 November 2019, the Bank paid amounts of €36 million and €4 million, respectively, with respect to the supplementary contribution for 2019 and on 3 February 2020 the Bank paid €20 million as the first instalment of the supplementary social security contributions for 2020, as required by the ministerial decision (see (c) above).

On 19 March 2020 a legislative amendment (article 63, Greek Law 4680/2020) on article 24 of Greek Law 4618/2020 was passed, changing the previous status described above. According to the amendment, the employees insured with LEPETE were transferred to the former ETEAEP and are now governed by the legislation of the Auxiliary Insurance Plan of Single Social Security Entity (“e-EFKA”). As a result, Bank is liable for normal employer’s contributions described in item (a) above. The Bank is also obligated to pay an additional social security contribution to the Auxiliary Insurance Plan of e-EFKA for the years 2018 to 2032, amounting to 12% per annum of the gross salaries of employees with any employment relationship with the Bank on 31 December of each respective year. These additional annual contributions from the Bank shall be payable for the year 2018 until 30 June 2020 and for the remaining years by the last business day of the first quarter of each following year. The additional contribution for the years 2019 and 2020 is offset by the additional contribution paid by the Bank to the former ETEAEP pursuant to Article 24 of Greek Law 4618/2019, as in force prior to its replacement herein. With the payment of the above additional social security contributions the obligation of the Bank to the Auxiliary Insurance Plan of e-EFKA as well as to any other third party is exhausted.

The Bank estimates that the additional social security contribution for the years 2018-2019 is €90 million and has recognized an equal amount in personnel expenses. €60 million already paid in July and November 2019 and in February 2020, according to the previous Law, will be offset against the final contribution for the years 2019-2020. The Bank has assessed, on the basis of actuarial studies, that the incremental costs from the additional contributions to be paid to e-EFKA in years 2020 to 2032 are linked to the economic benefit to arise for the Bank from the future service of the employees that were transferred to ETEAEP under Greek Law 4618/2019.

Other Defined Contribution Pension Plans

The London branch of the Bank and NBG Asset Management Mutual Funds also make contributions to other defined contribution pension plans and funds for their employees.

Defined contribution health plans

Contributions by the Bank to the National Bank of Greece Health Plan (“T.Y.P.E.T.”) amount to 6.25% of employees’ salaries. Employees’ contributions amount to 2.5% of their salaries. Additional contributions are paid for insured members of the employees’ families (such as spouse that does not work and children), and are increased further in the event that the insured spouse is employed or that members of the paternal family are also insured. Contributions of retired employees amount to 4% of their pensions, while additional contributions are paid for other insured members of their families. T.Y.P.E.T. offers health benefits to employees before and after their retirement, and to insured members of their families.

Total contributions to social security funds, state run plans and defined contribution plans for the Group and for 2019 and 2018 were €148 million and €164 million respectively. The respective figures for the Bank were €142 million and €158 million respectively. As mentioned above, as of 1 August 2008, the Bank’s pension plan was incorporated into IKA-ETAM and therefore ceased to exist as separate defined contribution plan.

National Bank of Greece Lump Sum Benefit Plan

Up to 2013, the Bank did not contribute to the aforementioned plan. Following the amendment of the aforementioned plan’s regulation, from 1 January 2014 the Bank pays voluntary contribution of 2.0% and up to €11,556.00 total remuneration.

II. Defined Benefit Plans

Retirement indemnities

Most of the Group companies are required by local law to offer retirement indemnities to employees leaving service to retire. Such retirement indemnities are in the form of a lump sum payment based usually on final salary and years of service, the calculation of which depends on the jurisdiction in which the company operates and the employee’s profession (e.g. Greek Law provides for different indemnities for salaried employees, wage earners and lawyers). In some cases, Group company regulations provide for additional benefits to employees above the statutory minimum.

In accordance with Greek Law 4046/2012 and Board of Ministers’ Decision (6/28.2.2012), from 14 February 2012 onwards, the employment contracts that lapse on attainment of the normal retirement age or based on the particular retirement conditions, are considered as indefinite duration employment contracts and therefore, the provisions for employees statutory retirement indemnity of Greek Law 2112/1920, are applied.

Prior to the enactment of the above Law, the Bank considered the employment contracts with its employees as finite duration contracts; therefore no provision for staff leaving indemnity was recognized.

On 12 November 2012, the new Greek Law 4093/2012 (GG A' 222) decreased the Greek Law 2112/1920 statutory indemnity scale in case of employee dismissal or normal retirement. The new law restricts the maximum indemnity payable to an employee upon dismissal or retirement, to 12 monthly salaries instead of 24.

The transitional provisions of the law state that for employees who on 12 November 2012 had 17 or more full years of service to the same employer there is an additional monthly salary as indemnity per year and up to 24 monthly salaries. In case of dismissal the additional monthly salary is restricted to 2,000 euros.

Lump sum and annuity benefits

Former Ethnokarta employees are entitled to benefits from Deposit Administration Fund ("DAF") type policies, which offer lump sum benefits and pension benefits additional to those offered by social security funds or main pension plans. Such benefits are usually based on the employees' salary and years of service, and vary depending on the provisions of each policy.

Benefits for the employees' children

Benefits to employees' children are lump sum and are also based on the parents' salary and pension where applicable and on the age at which the child receives the benefits. Such benefits are offered to former Ethnokarta employees' children through a DAF type policy, as well as to the Bank's employees' children through a separate fund.

Pension cost for these defined benefit plans and termination indemnities includes the following components which are recognised in the income statement for the periods ended:

Pension costs – defined benefit plans

	Group		Bank	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Service cost	7	7	6	7
Net interest expense on the net defined benefit liability/(asset)	4	4	4	4
Losses / (income) on curtailments /settlements and other expense/ (income)	85	55	84	53
Less amounts recognized as restructuring cost	(85)	(54)	(84)	(54)
Total	**11**	**12**	**10**	**10**

In 2019, losses / (income) on curtailments / settlements and other expense / (income) mainly include the ongoing VES cost implemented by the Bank, amounting to €85 million for the Group and €84 million for the Bank.

Furthermore, the amount of €85 million is recognised as restructuring cost (see also Note 13), relates to the cost recognized during 2019 in the context of Bank's commitment under the 2019 Restructuring Plan to decrease its total FTEs in (see Note 46).

In 2018, losses / (income) on curtailments / settlements and other expense / (income) mainly include the ongoing VES cost implemented by the Bank, amounting to €54 million for the Group and the Bank.

Net liability in Statement of Financial Position

	Group		Bank	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Present value of funded obligations	141	141	141	141
Fair value of plan assets	(6)	(11)	(6)	(11)
	135	**130**	**135**	**130**
Present value of unfunded obligations	132	109	129	107
Total	**267**	**239**	**264**	**237**

Movement in net liability

	Group		Bank	
	2019	2018	2019	2018
Net liability at the beginning of the period	**239**	**254**	**237**	**251**
Actual employer contributions paid	(6)	(8)	(6)	(8)
Benefits paid directly	(87)	(69)	(86)	(67)
Total expenses recognized in the income statement – continuing operations	96	65	94	64
Amount recognized in the OCI	25	(3)	25	(3)
Net liability at the end of the period	**267**	**239**	**264**	**237**

Remeasurements on the net liability

	Group		Bank	
	2019	2018	2019	2018
Liability (gain)/loss due to changes in assumptions	24	(5)	24	(5)
Liability experience (gain)/loss arising during the year	1	2	1	2
Total amount recognized in OCI	**25**	**(3)**	**25**	**(3)**

In 2020, the Group and the Bank are expected to make €7 million and €7 million respectively, in contributions to funded plans, and pay €35 million and €35 million respectively, in retirement indemnities.

Reconciliation of defined benefit obligation

	Group		Bank	
	2019	2018	2019	2018
Defined benefit obligation at the beginning of the period	**250**	**267**	**248**	**264**
Service cost-continuing operations	7	7	6	7
Interest cost –continuing operations	4	4	4	4
Employee contributions	2	2	2	2
Benefits paid from the Fund	(13)	(12)	(13)	(12)
Benefits paid directly	(87)	(69)	(86)	(67)
Losses/(gains) on curtailments / settlements- continuing operations	85	54	84	53
Remeasurements (gains)/losses:				
Loss/(Gain) – financial assumptions	24	(5)	24	(5)
Loss/(Gain) – demographic assumptions	-	-	-	-
Loss/(Gain) – experience	1	2	1	2
Defined benefit obligation at the end of the period	**273**	**250**	**270**	**248**

Reconciliation of plan assets

	Group		Bank	
	2019	2018	2019	2018
Fair value of plan assets at the beginning of the period	**11**	**13**	**11**	**13**
Employer contributions	6	8	6	8
Employee contributions	2	2	2	2
Benefits paid from the fund	(13)	(12)	(13)	(12)
Fair value of plan assets at the end of the period	**6**	**11**	**6**	**11**

The weighted average assumptions used to determine the pension costs for these defined benefit obligations, for the years ended 31 December 2019 and 31 December 2018 are:

Weighted average assumptions at the end of the reporting period

	Group		Bank	
	2019	2018	2019	2018
Discount rate	1.0%	1.8%	1.0%	1.8%
Price inflation	1.5%	1.5%	1.5%	1.5%
Rate of compensation increase	1.5%	1.5%	1.5%	1.5%
Pension increase	0.0%	0.0%	0.0%	0.0%
Plan duration	12.2	11.0	12.3	11.3

The following table presents a sensitivity analysis for each significant actuarial assumption showing how the defined benefit obligation would have been affected by changes in the relevant actuarial assumption that were reasonably possible at the balance sheet date.

Sensitivity analysis of significant actuarial assumptions-Group

Actuarial assumption	Change in Assumptions	31 December 2019 Increase / (decrease) in defined benefit obligation
Discount rate	Increase by 50 basis points	(5.7 %)
	Decrease by 50 basis points	6.2%
Price inflation	Increase by 50 basis points	0.5%
	Decrease by 50 basis points	(0.6)%
Rate of compensation increase	Increase by 50 basis points	3.9%
	Decrease by 50 basis points	(4.5)%
Pension growth rate	Increase by 50 basis points	1.3%
	Decrease by 50 basis points	(1.2)%
Life Expectancy	Plus 1 year	0.8%
	Minus 1 year	(0.9)%

Sensitivity analysis of significant actuarial assumptions-Bank

Actuarial assumption	Change in Assumptions	31 December 2019 Increase / (decrease) in defined benefit obligation
Discount rate	Increase by 50 basis points	(5.8)%
	Decrease by 50 basis points	6.4%
Price inflation	Increase by 50 basis points	0.5%
	Decrease by 50 basis points	(0.6)%
Rate of compensation increase	Increase by 50 basis points	4.1%
	Decrease by 50 basis points	(4.7)%
Pension growth rate	Increase by 50 basis points	1.5%
	Decrease by 50 basis points	(1.5)%
Life Expectancy	Plus 1 year	0.9%
	Minus 1 year	(0.9)%

Allocation of plan assets

	Group				Bank			
	2019		2018		2019		2018	
	Amount	Proportion	Amount	Proportion	Amount	Proportion	Amount	Proportion
Cash and cash equivalents	-	0.0%	2	18.2%	-	0.0%	2	18.2%
Other	6	100.0%	9	81.8%	6	100.0%	9	81.8%
Total	**6**	**100.0%**	**11**	**100.0%**	**6**	**100.0%**	**11**	**100.0%**

Other relates mainly to assets of DAF policies issued by the Group’s main insurance company NIC.

NOTE 12: General, administrative & other operating expenses

	Group		Bank	
Continuing Operations	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Duties and taxes	16	16	9	11
Utilities	50	52	46	48
ATM and POS related expenses	5	9	5	9
Travelling and transportation expenses	12	13	9	9
Rentals	3	22	2	87
Maintenance and other related expenses	12	18	10	16
Consulting, audit, legal and outsourcing expenses	50	55	44	48
Promotion and advertisement and donation expenses	32	29	31	28
Subscriptions, contributions, consumables and entertainment expenses	19	15	17	14
Other administrative expenses	24	20	20	16
Total	**223**	**249**	**193**	**286**

For the period ended 31 December 2019, rentals expenses for the Group and the Bank decreased due to the application of IFRS 16 according to which rentals were replaced by interest expense and depreciation on RoU assets.

NOTE 13: Credit provisions and other impairment charges

	Group		Bank	
Continuing Operations	31.12.2019	31.12.2018	31.12.2019	31.12.2018
a. Impairment charge for expected credit losses ("ECL")				
Loans and advances to customers at amortised cost	327	214	342	202
Net modification loss	38	87	38	87
	365	**301**	**380**	**289**
b. Impairment charge for securities				
Investment in debt instruments	(8)	(32)	(8)	(32)
	(8)	**(32)**	**(8)**	**(32)**
c. Other provisions and impairment charges				
Impairment of investment property, property and equipment, software & other intangible assets and other assets	3	(1)	-	2
Legal and other provisions	(18)	42	(17)	40
	(15)	**41**	**(17)**	**42**
Total	**342**	**310**	**355**	**299**

NOTE 14: Restructuring cost

For the period ended 31 December 2019 restructuring costs for the Group and the Bank include €96 million and €94 million, respectively estimated cost for the 2019 Voluntary Exit Scheme. Additionally, €8 million for impairments relating to termination of leases of branches and €14 million direct expenditure relating to the Transformation Program, for the Group and the BanK.

For the period ended 31 December 2018 restructuring costs for the Group and the Bank included €66 million estimated cost for the 2018 Voluntary Exit Scheme and €12 million direct expenditure relating to the Transformation Program.

NOTE 15: Tax benefit /(expense)

	Group		Bank	
Continuing Operations	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Current tax	(11)	(21)	-	(3)
Deferred tax	(2)	(5)	-	(1)
Tax benefit / (expense)	**(13)**	**(26)**	**-**	**(4)**

Profit before tax	**270**	**13**	**149**	**66**
Tax calculated based on the current tax rate of 29% (2018: 29%)	(78)	(4)	(43)	(19)
Adjustments in respect of income tax of previous years	(1)	(2)	-	-
Effect of different tax rates in other countries	3	6	-	-
Income not subject to taxation and other permanent differences	5	24	3	16
Expenses not deductible for tax purposes	(11)	(17)	(51)	(22)
Effect of unused tax losses and deductible temporary differences not recognized as deferred tax assets	70	(41)	91	(40)
Tax effect of utilization of tax losses not previously recognised	-	64	-	64
Intragroup dividends	-	(47)	-	-
Non off-settable taxes with current year income taxes	(1)	(6)	-	(5)
Other	-	(3)	-	2
Income tax expense	**(13)**	**(26)**	**-**	**(4)**
Effective tax rate for the period	**4.8%**	**205.7%**	**-**	**6.2%**

The nominal corporation tax rate for the Bank for 2019 and 2018 is 29%. Following Greek Law 4646/2019, the withholding tax on dividends distributed from 1 January 2020 onwards is decreased from 10% to 5%.

The unaudited tax years of the Group's equity method investments and subsidiaries are presented in Note 24 and Note 44.

Based on Greek Law 4646/2019 effective from 2019, the corporate income tax rate for legal entities, other than credit institutions, was reduced to 24%.

Receivables from withholding taxes on bonds and treasury bills

Current income tax advance includes withholding tax receivables of €203 million relating to the financial years 2011, 2012 and 2013 (tax years 2010, 2011 and 2012), which the Bank claims from the Greek State. On 29 March 2019, an amendment was passed through Greek Law 4605/2019 (article 93, para. 1 & 2) regarding Corporate Income Tax legislation, clarifying the status of these withholding tax receivables of banks. Specifically, (a) taxes of €41 million, withheld in accordance with the provisions of para. 8 of article 12 of Greek Law

2238/1994, are offset as a priority when income tax is incurred and to the extent that income tax is sufficient for the purposes of the above set-off, (b) withholding taxes of €162 million, which are subject to the provisions of para. 6 of article 3 of Greek Law 4046/2012 and not offset within five years, are offset in equal instalments within 10 years with any tax liabilities of banks, starting from 1 January 2020.

NOTE 16: Earnings per share

	Group		Bank	
	12-month period ended		12-month period ended	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Earnings / (losses) for the period attributable to NBG ordinary shareholders from continuing operations	**256**	**(15)**	**149**	**62**
Losses for the period from discontinued operations	(511)	(69)	(143)	(55)
Earnings / (losses) for the period attributable to NBG ordinary shareholders from continuing and discontinued operations	**(255)**	**(84)**	**6**	**7**
Weighted average number of ordinary shares outstanding for basic and diluted EPS	**914,515,124**	**914,559,161**	**914,715,153**	**914,715,153**
Earnings / (losses) per share (Euro) – Basic and diluted from continuing operations	**0.28**	**(0.02)**	**0.16**	**0.07**
Earnings / (losses) per share (Euro) – Basic and diluted from continuing and discontinued operations	**(0.28)**	**(0.09)**	**0.01**	**0.01**

NOTE 17: Cash and balances with central banks

	Group		Bank	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Cash in hand	603	556	581	533
Balances with central banks	2,899	4,582	2,721	4,371
Total	**3,502**	**5,138**	**3,302**	**4,904**
Of which				
Obligatory balances with central banks	**144**	**462**	**-**	**337**

The Bank is required to maintain a current account with the BoG to facilitate interbank transactions with the central bank, its member banks, and other financial institutions through the Trans-European Automated Real-Time Gross Settlement Express Transfer system (TARGET). BoG requires all banks established in Greece to maintain deposits with the central bank equal to 1% of total customer deposits as defined by the ECB. Similar requirements apply to the other banking subsidiaries of the Group. The Bank's deposits at BoG bear interest at the refinancing rate as set by the ECB of 0.00% at 31 December 2019 while the corresponding deposits of certain subsidiaries are non-interest bearing.

NOTE 18: Due from banks

	Group		Bank	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Sight deposits with banks	244	200	196	125
Time deposits with banks	192	52	172	51
Securities purchased under agreements to resell	175	761	175	761
Deposits in margin accounts	2,041	978	2,041	1,252
Other	322	596	318	318
Total	**2,974**	**2,587**	**2,902**	**2,507**

NOTE 19: Financial assets at fair value through profit or loss

	Group		Bank	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Trading Securities:				
Government bonds	322	343	322	343
Treasury bills	21	672	21	672
Other debt securities	2	2	2	2
Equity securities	29	32	10	26
Financial assets mandatorily classified at fair value through profit and loss:				
Other debt securities	24	40	24	40
Mutual funds units	15	5	10	-
Other	50	3,425	50	3,425
Total	**463**	**4,519**	**439**	**4,508**

Financial assets at FVTPL as of 31 December 2018 included the amount of €3,273 million for the Swap with the Hellenic Republic mandatorily measured at FVTPL as it had not satisfied the criteria of the solely payment of principal and interest assessment ("SPPI assessment"). In February 2019, the Bank exchanged the Swap with the Hellenic Republic for three Greek government bonds maturing in 2023, 2025 and 2026 with a total nominal value of €3,314 million and fair value of €3,282 million. The Greek government bonds were classified as Held-To-Collect, measured at amortised cost and are presented within Investment Securities. A gain of €42 million was recognized from the transaction, which includes the release of the CVA on the Swap with the Hellenic Republic and the charge for the Expected Credit Losses on the new bonds acquired.

Furthermore, €650 million of Greek Treasury bills classified at FVTPL as of 31 December 2018, matured in 2019.

NOTE 20: Derivative financial instruments

	Group			Bank		
	31.12.2019			31.12.2019		
	Notional amounts	Fair values Assets	Fair values Liabilities	Notional amounts	Fair values Assets	Fair values Liabilities
Derivatives held for trading						
Interest rate derivatives – OTC	33,829	4,695	2,465	33,829	4,695	2,465
Foreign exchange derivatives – OTC	3,325	91	72	3,325	91	72
Other types of derivatives – OTC	245	11	8	245	11	8
Interest rate derivatives – Exchange traded	2,936	9	4	2,936	9	4
Other types of derivatives – Exchange traded	1,769	7	-	1,744	7	-
Total	**42,104**	**4,813**	**2,549**	**42,079**	**4,813**	**2,549**
Derivatives held for fair value hedging						
Interest rate derivatives – OTC	525	20	321	525	20	321
Total	**525**	**20**	**321**	**525**	**20**	**321**
Total	**42,629**	**4,833**	**2,870**	**42,604**	**4,833**	**2,870**

	Group			Bank		
	31.12.2018			31.12.2018		
	Notional amounts	Fair values Assets	Fair values Liabilities	Notional amounts	Fair values Assets	Fair values Liabilities
Derivatives held for trading						
Interest rate derivatives – OTC	36,395	3,655	1,761	36,308	3,655	1,761
Foreign exchange derivatives – OTC	3,007	78	79	3,007	78	79
Other types of derivatives – OTC	246	20	67	246	20	67
Interest rate derivatives – Exchange traded	2,444	3	9	2,444	3	9
Other types of derivatives – Exchange traded	2,795	35	3	2,784	35	3
Total	**44,887**	**3,791**	**1,919**	**44,789**	**3,791**	**1,919**
Derivatives held for fair value hedging						
Interest rate derivatives – OTC	150	-	212	150	-	212
Total	**150**	**-**	**212**	**150**	**-**	**212**
Total	**45,037**	**3,791**	**2,131**	**44,939**	**3,791**	**2,131**

Credit risk

The Group calculates a separate CVA for each counterparty to which the Group has exposure. The CVA is estimated considering expected exposures generated using simulation techniques, as well as netting agreements and collateral postings. Furthermore, the CVA is based on implied probabilities of default, derived from CDS rates observed in the market, or, if these are not available, the probability of default of the counterparty derived from internal rating models, or otherwise the regulatory risk weight is applied.

With respect to own credit risk, the Group estimates a Debit Value Adjustment ("DVA") by applying a methodology symmetric to the one applied for CVA. The bilateral CVA for the Group and the Bank at 31 December 2019 amounted to a cumulative loss of €10 million (2018: cumulative loss €133 million).

Fair value hedges

The Group's and the Bank's fair value hedges consist of interest rate swaps that are used to protect against changes in the fair value of fixed-rate, long-term financial instruments due to movements in market interest rates.

31.12.2019 Hedging Instruments					31.12.2019 Hedged Items			
Derivative Instrument	Nominal Amount	Fair Value	Statement of Financial Position Line	Change in fair value	Carrying Amount	Accumulated hedge adjustment on the hedged item	Statement of Financial Position Line	Change in fair value due to the risk being hedged
Interest Rate Swaps	50	16	Derivative Assets	14	1.576	563	Securities measured at amortised cost	182
Interest Rate Swaps	295	(99)	Due from Banks [1]	(11)				
Interest Rate Swaps	275	321	Derivative Liabilities	(189)				
Interest Rate Swaps	200	4	Derivative Assets	4	1.149	N/A	Securities measured at FVTOCI	(12)
Interest Rate Swaps	175	6	Due from Banks [1]	7				
Total	**995**	**(394)**		**(175)**	**2.725**	**563**		**170**

31.12.2018 Hedging Instruments					31.12.2018 Hedged Items			
Derivative Instrument	Nominal Amount	Fair Value	Statement of Financial Position Line	Change in fair value	Carrying Amount	Accumulated hedge adjustment on the hedged item	Statement of Financial Position Line	Change in fair value due to the risk being hedged
Interest Rate Swaps	150	212	Derivative Liabilities	(94)	1.097	470	Securities measured at amortised cost	92
Interest Rate Swaps	150	(6)	Due from Banks [1]	(4)	226	N/A	Securities measured at FVTOCI	4
Total	**300**	**(218)**		**(98)**	**1.323**	**470**		**96**

[1] Relates to derivatives traded with Central Clearing Counterparties (CCPs). Please refer to Note 4.9.

The accumulated amount of fair value hedge adjustments remaining in the Statement of Financial Position for discontinued hedges was €381 million and €392 million as at 31 December 2019 and 2018 respectively, for the Group and the Bank.

Hedge ineffectiveness recognized in the Income Statement amounted to €(4) million and Nil, for the year ended 31 December 2019 and 2018 respectively, for the Group and the Bank.

Cash flow hedges

As at 31 December 2019, the Group's cash flow hedges consist of interest rate swaps, used to hedge the variability in cash flows of the Group's borrowings that are attributable to changes in the market interest rates.

31.12.2019 Hedging Instruments					31.12.2019 Hedged Items		
Derivative Instrument	Nominal Amount	Fair Value	Statement of Financial Position Line	Change in fair value	Carrying Amount	Statement of Financial Position Line	Change in fair value due to the risk being hedged
Interest Rate Swaps	500	(24)	Due from Banks [1]	(24)	500	Due to Banks	24
Total	**500**	**(24)**		**(24)**	**500**		**24**

[1] Relates to derivatives traded with Central Clearing Counterparties (CCPs). Please refer to Note 4.9.

For the year ended 31 December 2019, hedging gain or losses that were recognized in Other Comprehensive Income amount to €24 million and hedge ineffectiveness recognized in net trading income / (loss) and results from investment securities amounts to €3 million for the Group and the Bank.

NOTE 21: Loans and advances to customers

	Group		Bank	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Loans and advances to customers at amortised cost				
Mortgages	14,503	15,795	14,318	15,590
Consumer loans	2,322	3,087	1,754	2,535
Credit cards	539	668	473	598
Small business lending	2,078	3,093	1,936	2,943
Retail lending	**19,442**	**22,643**	**18,481**	**21,666**
Corporate and public sector lending	15,369	16,824	14,865	16,216
Total before ECL allowance on loans and advances to customers	**34,811**	**39,467**	**33,346**	**37,882**
Less: ECL allowance on loans and advances to customers at amortised cost	(5,757)	(9,466)	(5,562)	(8,912)
Net carrying amount of loans and advances to customers at amortised cost	**29,054**	**30,001**	**27,784**	**28,970**
Loans and advances to customers mandatorily measured at FVTPL	**127**	**133**	**127**	**133**
Total Loans and advances to customers	**29,181**	**30,134**	**27,911**	**29,103**

During 2019 the Bank has completed the disposal of three portfolios consisting of non-performing exposures.

In particular, on 18 November 2019 the Bank completed the first disposal of non-performing exposures, consisting of a portfolio of unsecured credit cards, consumer loans, small business loans and Small & Medium Enterprises loans with total principal amount of €1.2 billion (Project Mirror). The second disposal was completed on 9 December 2019 and consisted of a portfolio of secured non-performing small business loans and Small & Medium Enterprises loans with total principal amount of €0.9 billion (Project Symbol).

Additionally, on 13 December 2019, the Bank completed the sale of a shipping loans' portfolio of a total size of €262 million.

The gross carrying amount and the ECL allowance of these loans as at 31 December 2018 are analysed per portfolio in the table below:

Disposal of non-performing exposures – Group

	Gross Carrying amount	ECL allowance	Net carrying amount
Consumer loans	620	554	66
Credit Cards	104	103	1
Small business lending	646	519	127
Corporate Lending	613	364	249
Total loans and advances to customers	**1,983**	**1,540**	**443**

Loans and advances to customers at amortised cost and mandatorily measured at FVTPL –Group

As at 31 December 2019	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Credit impaired Lifetime ECL Individually assessed	Stage 3 Credit impaired Lifetime ECL Collectively assessed	Total
Loans and advances to customers at amortised cost					
Mortgages					
Gross carrying amount	5,142	2,981	-	6,380	14,503
ECL allowance	(32)	(110)	-	(2,408)	(2,550)
Net carrying amount	**5,110**	**2,871**	**-**	**3,972**	**11,953**
Collateral held for financial assets	4,793	2,657	-	4,790	12,240
Consumer loans					
Gross carrying amount	1,292	374	-	656	2,322
ECL allowance	(21)	(70)	-	(456)	(547)
Net carrying amount	**1,271**	**304**	**-**	**200**	**1,775**
Collateral held for financial assets	148	66	-	158	372
Credit Cards					
Gross carrying amount	484	13	-	42	539
ECL allowance	(4)	(1)	-	(39)	(44)
Net carrying amount	**480**	**12**	**-**	**3**	**495**
Small business lending					
Gross carrying amount	428	662	-	988	2,078
ECL allowance	(5)	(88)	-	(707)	(800)
Net carrying amount	**423**	**574**	**-**	**281**	**1,278**
Collateral held for financial assets	299	473	-	656	1,428
Corporate lending					
Gross carrying amount	11,426	773	2,482	285	14,966
ECL allowance	(85)	(47)	(1,523)	(126)	(1,781)
Net carrying amount	**11,341**	**726**	**959**	**159**	**13,185**
Collateral held for financial assets	5,653	656	1,593	290	8,192
Public sector lending					
Gross carrying amount	329	36	35	3	403
ECL allowance	(3)	(9)	(21)	(2)	(35)
Net carrying amount	**326**	**27**	**14**	**1**	**368**
Collateral held for financial assets	50	11	15	2	78
Total loans and advances to customers at amortised cost					
Gross carrying amount	19,101	4,839	2,517	8,354	34,811
ECL allowance	(150)	(325)	(1,544)	(3,738)	(5,757)
Net carrying amount of loans and advances to customers at amortised cost	**18,951**	**4,514**	**973**	**4,616**	**29,054**
Collateral held for financial assets	10,943	3,863	1,608	5,896	22,310
Loans and advances to customers mandatorily measured at FVTPL					**127**
Total loans and advances to customers					**29,181**

Stage 1 and 3 mortgage exposures include mortgage loans of €599 million and €65 million, respectively, guaranteed by the Hellenic Republic. For the purposes of assessing the NPE classification for the specific mortgage guaranteed exposures, the Bank equalizes the guarantor, i.e. the Greek State with the obligor. In substance, for these specific exposures the Greek State guarantee is considered obligor substitution rather than credit enhancement means. Thus, the specific exposures are classified as Stage 1 unless specific circumstances exist.

Stage 2 and 3 SBL exposures include SBL loans of €1 million and €84 million, respectively, partially guaranteed by the Hellenic Republic.

Stage 1, 2 and 3 corporate exposures include corporate loans of €27 million, €7 million and €198 million, respectively, partially guaranteed by the Hellenic Republic.

As at 31 December 2018	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Credit impaired Lifetime ECL Individually assessed	Credit impaired Lifetime ECL Collectively assessed	Total
Loans and advances to customers at amortised cost					
Mortgages					
Gross carrying amount	3,188	5,525	-	7,082	15,795
ECL allowance	(36)	(208)	-	(2,734)	(2,978)
Net carrying amount	**3,152**	**5,317**	**-**	**4,348**	**12,817**
Collateral held for financial assets	2,926	4,927	-	5,124	12,977
Consumer loans					
Gross carrying amount	1,302	447	-	1,338	3,087
ECL allowance	(21)	(83)	-	(1,053)	(1,157)
Net carrying amount	**1,281**	**364**	**-**	**285**	**1,930**
Collateral held for financial assets	141	83	-	195	419
Credit Cards					
Gross carrying amount	499	13	-	156	668
ECL allowance	(5)	(1)	-	(156)	(162)
Net carrying amount	**494**	**12**	**-**	**-**	**506**
Small business lending					
Gross carrying amount	427	672	-	1,994	3,093
ECL allowance	(4)	(77)	-	(1,469)	(1,550)
Net carrying amount	**423**	**595**	**-**	**525**	**1,543**
Collateral held for financial assets	294	455	-	1,184	1,933
Corporate lending					
Gross carrying amount	10,117	791	4,741	723	16,372
ECL allowance	(75)	(59)	(2,873)	(553)	(3,560)
Net carrying amount	**10,042**	**732**	**1,868**	**170**	**12,812**
Collateral held for financial assets	5,339	568	2,830	459	9,196
Public sector lending					
Gross carrying amount	350	9	78	15	452
ECL allowance	(3)	-	(47)	(9)	(59)
Net carrying amount	**347**	**9**	**31**	**6**	**393**
Collateral held for financial assets	50	9	40	8	107
Total loans and advances to customers at amortised cost					
Gross carrying amount	15,883	7,457	4,819	11,308	39,467
ECL allowance	(144)	(428)	(2,920)	(5,974)	(9,466)
Net carrying amount of loans and advances to customers at amortised cost	**15,739**	**7,029**	**1,899**	**5,334**	**30,001**
Collateral held for financial assets	8,750	6,042	2,870	6,970	24,632
Loans and advances to customers mandatorily measured at FVTPL					**133**
Total loans and advances to customers					**30,134**

Stage 1 and 3 mortgage exposures include mortgage loans of €695 million and €53 million, respectively, guaranteed by the Hellenic Republic. For the purposes of assessing the NPE classification for the specific mortgage guaranteed exposures, the Bank equalizes the guarantor, i.e. the Greek State with the obligor. In substance, for these specific exposures the Greek State guarantee is considered obligor substitution rather than credit enhancement means. Thus, the specific exposures are classified as Stage 1 unless specific circumstances exist.

Stage 2 and 3 SBL exposures include SBL loans of €1 million and €90 million, respectively, partially guaranteed by the Hellenic Republic.

Stage 1, 2 and 3 corporate exposures include corporate loans of €39 million, €9 million and €239 million, respectively, partially guaranteed by the Hellenic Republic.

Loans and advances to customers at amortised cost and mandatorily measured at FVTPL –Bank

As at 31 December 2019	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Credit impaired Lifetime ECL Individually assessed	Credit impaired Lifetime ECL Collectively assessed	Total
Loans and advances to customers at amortised cost					
Mortgages					
Gross carrying amount	4,978	2,964	-	6,376	14,318
ECL allowance	(32)	(109)	-	(2,407)	(2,548)
Net carrying amount	**4,946**	**2,855**	**-**	**3,969**	**11,770**
Collateral held for financial assets	4,631	2,640	-	4,786	12,057
Consumer loans					
Gross carrying amount	812	326	-	616	1,754
ECL allowance	(15)	(66)	-	(434)	(515)
Net carrying amount	**797**	**260**	**-**	**182**	**1,239**
Collateral held for financial assets	72	62	-	157	291
Credit Cards					
Gross carrying amount	423	12	-	38	473
ECL allowance	(3)	(1)	-	(37)	(41)
Net carrying amount	**420**	**11**	**-**	**1**	**432**
Small business lending					
Gross carrying amount	349	645	-	942	1,936
ECL allowance	(4)	(87)	-	(679)	(770)
Net carrying amount	**345**	**558**	**-**	**263**	**1,166**
Collateral held for financial assets	234	458	-	637	1,329
Corporate lending					
Gross carrying amount	11,365	597	2,191	310	14,463
ECL allowance	(90)	(39)	(1,378)	(146)	(1,653)
Net carrying amount	**11,275**	**558**	**813**	**164**	**12,810**
Collateral held for financial assets	4,833	500	1,324	249	6,906
Public sector lending					
Gross carrying amount	328	36	35	3	402
ECL allowance	(3)	(9)	(21)	(2)	(35)
Net carrying amount	**325**	**27**	**14**	**1**	**367**
Collateral held for financial assets	50	11	15	2	78
Total loans and advances to customers at amortised cost					
Gross carrying amount	18,255	4,580	2,226	8,285	33,346
ECL allowance	(147)	(311)	(1,399)	(3,705)	(5,562)
Net carrying amount of loans and advances to customers at amortised cost	**18,108**	**4,269**	**827**	**4,580**	**27,784**
Collateral held for financial assets	9,820	3,671	1,339	5,831	20,661
Loans and advances to customers mandatorily measured at FVTPL					**127**
Total loans and advances to customers					**27,911**

Stage 1 and 3 mortgage exposures include mortgage loans of €599 million and €65 million, respectively, guaranteed by the Hellenic Republic. For the purposes of assessing the NPE classification for the specific mortgage guaranteed exposures, the Bank equalizes the guarantor, i.e. the Greek State with the obligor. In substance, for these specific exposures the Greek State guarantee is considered obligor substitution rather than credit enhancement means. Thus, the specific exposures are classified as Stage 1 unless specific circumstances exist.

Stage 2 and 3 SBL exposures include SBL loans of €1 million and €84 million, respectively, partially guaranteed by the Hellenic Republic.

Stage 1, 2 and 3 corporate exposures include corporate loans of €27 million, €7 million and €198 million, respectively, partially guaranteed by the Hellenic Republic.

	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Credit impaired Lifetime ECL		Total
As at 31 December 2018			Individually assessed	Collectively assessed	
Loans and advances to customers at amortised cost					
Mortgages					
Gross carrying amount	3,034	5,513	-	7,043	15,590
ECL allowance	(36)	(208)	-	(2,720)	(2,964)
Net carrying amount	**2,998**	**5,305**	**-**	**4,323**	**12,626**
Collateral held for financial assets	2,771	4,914	-	5,091	12,776
Consumer loans					
Gross carrying amount	827	427	-	1,281	2,535
ECL allowance	(14)	(80)	-	(1,023)	(1,117)
Net carrying amount	**813**	**347**	**-**	**258**	**1,418**
Collateral held for financial assets	76	79	-	185	340
Credit Cards					
Gross carrying amount	436	12	-	150	598
ECL allowance	(5)	(1)	-	(150)	(156)
Net carrying amount	**431**	**11**	**-**	**-**	**442**
Small business lending					
Gross carrying amount	352	655	-	1,936	2,943
ECL allowance	(3)	(77)	-	(1,426)	(1,506)
Net carrying amount	**349**	**578**	**-**	**510**	**1,437**
Collateral held for financial assets	232	442	-	1,167	1,841
Corporate lending					
Gross carrying amount	10,462	601	4,019	683	15,765
ECL allowance	(80)	(51)	(2,553)	(426)	(3,110)
Net carrying amount	**10,382**	**550**	**1,466**	**257**	**12,655**
Collateral held for financial assets	4,620	418	2,298	409	7,745
Public sector lending					
Gross carrying amount	349	9	78	15	451
ECL allowance	(3)	-	(47)	(9)	(59)
Net carrying amount	**346**	**9**	**31**	**6**	**392**
Collateral held for financial assets	49	9	40	8	106
Total loans and advances to customers at amortised cost					
Gross carrying amount	15,460	7,217	4,097	11,108	37,882
ECL allowance	(141)	(417)	(2,600)	(5,754)	(8,912)
Net carrying amount of loans and advances to customers at amortised cost	**15,319**	**6,800**	**1,497**	**5,354**	**28,970**
Collateral held for financial assets	7,748	5,862	2,338	6,860	22,808
Loans and advances to customers mandatorily measured at FVTPL					**133**
Total loans and advances to customers					**29,103**

Stage 1 and 3 mortgage exposures include mortgage loans of €695 million and €53 million, respectively, guaranteed by the Hellenic Republic. For the purposes of assessing the NPE classification for the specific mortgage guaranteed exposures, the Bank equalizes the guarantor, i.e. the Greek State with the obligor. In substance, for these specific exposures the Greek State guarantee is considered obligor substitution rather than credit enhancement means. Thus, the specific exposures are classified as Stage 1 unless specific circumstances exist.

Stage 2 and 3 SBL exposures include SBL loans of €1 million and €90 million, respectively, partially guaranteed by the Hellenic Republic.

Stage 1, 2 and 3 corporate exposures include corporate loans of €39 million, €9 million and €239 million, respectively, partially guaranteed by the Hellenic Republic.

Movement in the ECL allowance on loans and advances to customers at amortised cost – Group

	Retail lending				Corporate and public sector lending				Total loans and advances to customers			
	Stage 1	Stage 2	Credit impaired	**Total**	Stage 1	Stage 2	Credit impaired	**Total**	Stage 1	Stage 2	Credit impaired	**Total**
Balance 1.1.2019	**66**	**369**	**5,412**	**5,847**	**78**	**59**	**3,482**	**3,619**	**144**	**428**	**8,894**	**9,466**
Transfer to stage 1 (from 2 or 3)	46	(45)	(1)	-	13	(12)	(1)	-	59	(57)	(2)	-
Transfer to stage 2 (from 1 or 3)	(3)	306	(303)	-	(2)	95	(93)	-	(5)	401	(396)	-
Transfer to stage 3 (from 1 or 2)	(3)	(117)	120	-	(1)	(6)	7	-	(4)	(123)	127	-
Net remeasurement of loss allowance (a)	(49)	(235)	653	369	(30)	(30)	(24)	(84)	(79)	(265)	629	285
Impairment losses on new assets (b)	5	4	1	10	31	1	-	32	36	5	1	42
Impairment losses on loans (a+b)	**(44)**	**(231)**	**654**	**379**	**1**	**(29)**	**(24)**	**(52)**	**(43)**	**(260)**	**630**	**327**
Derecognition of loans	-	(13)	(1,092)	(1,105)	(2)	(36)	(345)	(383)	(2)	(49)	(1,437)	(1,488)
Modification impact on ECL	-	-	(33)	(33)	-	-	(13)	(13)	-	-	(46)	(46)
Write-offs	-	-	(886)	(886)	-	-	(542)	(542)	-	-	(1,428)	(1,428)
Foreign exchange differences and other movements	-	-	12	12	1	4	(15)	(10)	1	4	(3)	2
Change in the present value of the allowance account	-	-	(85)	(85)	-	-	(8)	(8)	-	-	(93)	(93)
Reclassified as Held For Sale	-	-	(188)	(188)	-	(19)	(776)	(795)	-	(19)	(964)	(983)
Balance 31.12.2019	**62**	**269**	**3,610**	**3,941**	**88**	**56**	**1,672**	**1,816**	**150**	**325**	**5,282**	**5,757**

	Retail lending				Corporate and public sector lending				Total loans and advances to customers			
	Stage 1	Stage 2	Credit impaired	**Total**	Stage 1	Stage 2	Credit impaired	**Total**	Stage 1	Stage 2	Credit impaired	**Total**
Balance 1.1.2018	**70**	**461**	**6,264**	**6,795**	**61**	**68**	**4,211**	**4,340**	**131**	**529**	**10,475**	**11,135**
Transfer to stage 1 (from 2 or 3)	43	(26)	(17)	-	23	(22)	(1)	-	66	(48)	(18)	-
Transfer to stage 2 (from 1 or 3)	(4)	311	(307)	-	(4)	50	(46)	-	(8)	361	(353)	-
Transfer to stage 3 (from 1 or 2)	(2)	(117)	119	-	(1)	(5)	6	-	(3)	(122)	125	-
Net remeasurement of loss allowance (a)	(43)	(272)	465	150	(11)	(39)	87	37	(54)	(311)	552	187
Impairment losses on new assets (b)	3	4	-	7	16	-	1	17	19	4	1	24
Impairment losses on loans (a+b)	**(40)**	**(268)**	**465**	**157**	**5**	**(39)**	**88**	**54**	**(35)**	**(307)**	**553**	**211**
Derecognition of loans	-	-	(129)	(129)	-	-	(48)	(48)	-	-	(177)	(177)
Modification impact on ECL	-	-	(62)	(62)	-	-	(19)	(19)	-	-	(81)	(81)
Write-offs	-	-	(846)	(846)	-	-	(679)	(679)	-	-	(1,525)	(1,525)
Foreign exchange differences and other movements	(1)	8	11	18	(4)	8	(12)	(8)	(5)	16	(1)	10
Change in the present value of the allowance account	-	-	(82)	(82)	-	-	-	-	-	-	(82)	(82)
Reclassified as Held For Sale	-	-	(4)	(4)	(2)	(1)	(18)	(21)	(2)	(1)	(22)	(25)
Balance 31.12.2018	**66**	**369**	**5,412**	**5,847**	**78**	**59**	**3,482**	**3,619**	**144**	**428**	**8,894**	**9,466**

Movement in the ECL allowance on loans and advances to customers at amortised cost – Bank

	Retail lending				Corporate and public sector lending				Total loans and advances to customers			
	Stage 1	Stage 2	Credit impaired	**Total**	Stage 1	Stage 2	Credit impaired	**Total**	Stage 1	Stage 2	Credit impaired	**Total**
Balance 1.1.2019	**58**	**366**	**5,319**	**5,743**	**83**	**51**	**3,035**	**3,169**	**141**	**417**	**8,354**	**8,912**
Transfer to stage 1 (from 2 or 3)	46	(43)	(3)	-	12	(11)	(1)	-	58	(54)	(4)	-
Transfer to stage 2 (from 1 or 3)	(2)	302	(300)	-	(1)	94	(93)	-	(3)	396	(393)	-
Transfer to stage 3 (from 1 or 2)	(3)	(117)	120	-	-	(5)	5	-	(3)	(122)	125	-
Net remeasurement of loss allowance (a)	(47)	(235)	648	366	(29)	(28)	(2)	(59)	(76)	(263)	646	307
Impairment losses on new assets (b)	3	2	-	5	30	-	-	30	33	2	-	35
Impairment losses on loans (a+b)	**(44)**	**(233)**	**648**	**371**	**1**	**(28)**	**(2)**	**(29)**	**(43)**	**(261)**	**646**	**342**
Derecognition of loans	-	(12)	(1,093)	(1,105)	(1)	(35)	(346)	(382)	(1)	(47)	(1,439)	(1,487)
Modification impact on ECL	-	-	(33)	(33)	-	-	(13)	(13)	-	-	(46)	(46)
Write-offs	-	-	(871)	(871)	-	-	(444)	(444)	-	-	(1,315)	(1,315)
Foreign exchange differences and other movements	(1)	-	18	17	(1)	1	(10)	(10)	(2)	1	8	7
Change in the present value of the allowance account	-	-	(85)	(85)	-	-	(8)	(8)	-	-	(93)	(93)
Reclassified as Held For Sale	-	-	(163)	(163)	-	(19)	(576)	(595)	-	(19)	(739)	(758)
Balance 31.12.2019	**54**	**263**	**3,557**	**3,874**	**93**	**48**	**1,547**	**1,688**	**147**	**311**	**5,104**	**5,562**

	Retail lending				Corporate and public sector lending				Total loans and advances to customers			
	Stage 1	Stage 2	Credit impaired	**Total**	Stage 1	Stage 2	Credit impaired	**Total**	Stage 1	Stage 2	Credit impaired	**Total**
Balance 1.1.2018	**61**	**459**	**6,169**	**6,689**	**67**	**61**	**3,811**	**3,939**	**128**	**520**	**9,980**	**10,628**
Transfer to stage 1 (from 2 or 3)	43	(27)	(16)	-	21	(21)	-	-	64	(48)	(16)	-
Transfer to stage 2 (from 1 or 3)	(4)	311	(307)	-	(4)	46	(42)	-	(8)	357	(349)	-
Transfer to stage 3 (from 1 or 2)	(2)	(114)	116	-	-	(3)	3	-	(2)	(117)	119	-
Net remeasurement of loss allowance (a)	(44)	(268)	464	152	(16)	(34)	77	27	(60)	(302)	541	179
Impairment losses on new assets (b)	2	4	-	6	16	-	1	17	18	4	1	23
Impairment losses on loans (a+b)	**(42)**	**(264)**	**464**	**158**	**-**	**(34)**	**78**	**44**	**(42)**	**(298)**	**542**	**202**
Derecognition of loans	-	-	(129)	(129)	-	-	(48)	(48)	-	-	(177)	(177)
Modification impact on ECL	-	-	(62)	(62)	-	-	(19)	(19)	-	-	(81)	(81)
Write-offs	-	-	(843)	(843)	-	-	(669)	(669)	-	-	(1,512)	(1,512)
Foreign exchange differences and other movements	2	1	9	12	(1)	2	(78)	(77)	1	3	(69)	(65)
Change in the present value of the allowance account	-	-	(82)	(82)	-	-	-	-	-	-	(82)	(82)
Reclassified as Held For Sale	-	-	-	-	-	-	(1)	(1)	-	-	(1)	(1)
Balance 31.12.2018	**58**	**366**	**5,319**	**5,743**	**83**	**51**	**3,035**	**3,169**	**141**	**417**	**8,354**	**8,912**

Movement in gross carrying amount of loans and advances to customers at amortised cost – Group

As at 31 December 2019	Retail lending Stage 1	Retail lending Stage 2	Retail lending Credit impaired	Retail lending Total	Corporate and Public sector lending Stage 1	Corporate and Public sector lending Stage 2	Corporate and Public sector lending Credit impaired	Corporate and Public sector lending Total	Total loans and advances to customers Stage 1	Total loans and advances to customers Stage 2	Total loans and advances to customers Credit impaired	Total loans and advances to customers Total
Gross Balance 1.1.2019	**5,416**	**6,657**	**10,570**	**22,643**	**10,467**	**800**	**5,557**	**16,824**	**15,883**	**7,457**	**16,127**	**39,467**
Transfer to Stage 1 (from 2 or 3)	2,525	(2,517)	(8)	-	292	(289)	(3)	-	2,817	(2,806)	(11)	-
Transfer to Stage 2 (from 1 or 3)	(220)	1,089	(869)	-	(266)	569	(303)	-	(486)	1,658	(1,172)	-
Transfer to Stage 3 (from 1 or 2)	(112)	(860)	972	-	(69)	(39)	108	-	(181)	(899)	1,080	-
New financial assets originated or purchased	664	39	-	703	3,632	56	-	3,688	4,296	95	-	4,391
Derecognition of financial assets	-	(14)	(1,318)	(1,332)	(12)	(54)	(537)	(603)	(12)	(68)	(1,855)	(1,935)
Repayments and other changes	(932)	(266)	(147)	(1,345)	(2,325)	(201)	(270)	(2,796)	(3,257)	(467)	(417)	(4,141)
Changes due to modifications that did not result in derecognition	-	-	(68)	(68)	-	-	(16)	(16)	-	-	(84)	(84)
Write-offs	-	(101)	(768)	(869)	-	(5)	(566)	(571)	-	(106)	(1,334)	(1,440)
Foreign exchange differences	5	4	14	23	36	2	8	46	41	6	22	69
Reclassified as held for sale	-	(1)	(312)	(313)	-	(30)	(1,173)	(1,203)	-	(31)	(1,485)	(1,516)
Gross Balance 31.12.2019	**7,346**	**4,030**	**8,066**	**19,442**	**11,755**	**809**	**2,805**	**15,369**	**19,101**	**4,839**	**10,871**	**34,811**
ECL allowance	(62)	(269)	(3,610)	**(3,941)**	(88)	(56)	(1,672)	**(1,816)**	(150)	(325)	(5,282)	**(5,757)**
Net carrying amount as at 31.12.2019	**7,284**	**3,761**	**4,456**	**15,501**	**11,667**	**753**	**1,133**	**13,553**	**18,951**	**4,514**	**5,589**	**29,054**

As at 31 December 2018	Retail lending Stage 1	Retail lending Stage 2	Retail lending Credit impaired	Retail lending Total	Corporate and Public sector lending Stage 1	Corporate and Public sector lending Stage 2	Corporate and Public sector lending Credit impaired	Corporate and Public sector lending Total	Total loans and advances to customers Stage 1	Total loans and advances to customers Stage 2	Total loans and advances to customers Credit impaired	Total loans and advances to customers Total
Gross Balance 1.1.2018	**6,186**	**6,734**	**11,656**	**24,576**	**9,731**	**1,090**	**6,553**	**17,374**	**15,917**	**7,824**	**18,209**	**41,950**
Transfer to Stage 1 (from 2 or 3)	442	(416)	(26)	-	365	(363)	(2)	-	807	(779)	(28)	-
Transfer to Stage 2 (from 1 or 3)	(821)	1,681	(860)	-	(211)	368	(157)	-	(1,032)	2,049	(1,017)	-
Transfer to Stage 3 (from 1 or 2)	(133)	(871)	1,004	-	(57)	(108)	165	-	(190)	(979)	1,169	-
New financial assets originated or purchased	405	41	-	446	1,975	22	-	1,997	2,380	63	-	2,443
Derecognition of financial assets	-	-	(226)	(226)	-	-	(63)	(63)	-	-	(289)	(289)
Repayments and other changes	(616)	(516)	(19)	(1,151)	(1,195)	(190)	(132)	(1,517)	(1,811)	(706)	(151)	(2,668)
Changes due to modifications that did not result in derecognition	-	-	(146)	(146)	-	-	(22)	(22)	-	-	(168)	(168)
Write-offs	-	-	(807)	(807)	-	-	(721)	(721)	-	-	(1,528)	(1,528)
Foreign exchange differences	2	7	16	25	46	4	16	66	48	11	32	91
Reclassified as held for sale	(49)	(3)	(22)	(74)	(187)	(23)	(80)	(290)	(236)	(26)	(102)	(364)
Gross Balance 31.12.2018	**5,416**	**6,657**	**10,570**	**22,643**	**10,467**	**800**	**5,557**	**16,824**	**15,883**	**7,457**	**16,127**	**39,467**
ECL allowance	(66)	(369)	(5,412)	**(5,847)**	(78)	(59)	(3,482)	**(3,619)**	(144)	(428)	(8,894)	**(9,466)**
Net carrying amount as at 31.12.2018	**5,350**	**6,288**	**5,158**	**16,796**	**10,389**	**741**	**2,075**	**13,205**	**15,739**	**7,029**	**7,233**	**30,001**

Movement in gross carrying amount of loans and advances to customers at amortised cost – Bank

As at 31 December 2019	Retail lending Stage 1	Retail lending Stage 2	Retail lending Credit impaired	Retail lending Total	Corporate and Public sector lending Stage 1	Corporate and Public sector lending Stage 2	Corporate and Public sector lending Credit impaired	Corporate and Public sector lending Total	Total loans and advances to customers Stage 1	Total loans and advances to customers Stage 2	Total loans and advances to customers Credit impaired	Total loans and advances to customers Total
Gross Balance 1.1.2019	**4,649**	**6,607**	**10,410**	**21,666**	**10,811**	**610**	**4,795**	**16,216**	**15,460**	**7,217**	**15,205**	**37,882**
Transfer to Stage 1 (from 2 or 3)	2,514	(2,506)	(8)	-	206	(203)	(3)	-	2,720	(2,709)	(11)	-
Transfer to Stage 2 (from 1 or 3)	(173)	1,041	(868)	-	(218)	495	(277)	-	(391)	1,536	(1,145)	-
Transfer to Stage 3 (from 1 or 2)	(106)	(857)	963	-	(45)	(36)	81	-	(151)	(893)	1,044	-
New financial assets originated or purchased	375	24	-	399	3,354	25	-	3,379	3,729	49	-	3,778
Derecognition of financial assets	-	(14)	(1,318)	(1,332)	(12)	(54)	(537)	(603)	(12)	(68)	(1,855)	(1,935)
Repayments and other changes	(702)	(250)	(142)	(1,094)	(2,436)	(171)	(255)	(2,862)	(3,138)	(421)	(397)	(3,956)
Changes due to modifications that did not result in derecognition	-	-	(68)	(68)	-	-	(16)	(16)	-	-	(84)	(84)
Write-offs	-	(101)	(753)	(854)	-	(5)	(428)	(433)	-	(106)	(1,181)	(1,287)
Foreign exchange differences	5	4	14	23	33	2	8	43	38	6	22	66
Reclassified as held for sale	-	(1)	(258)	(259)	-	(30)	(829)	(859)	-	(31)	(1,087)	(1,118)
Gross Balance 31.12.2019	**6,562**	**3,947**	**7,972**	**18,481**	**11,693**	**633**	**2,539**	**14,865**	**18,255**	**4,580**	**10,511**	**33,346**
ECL allowance	(54)	(263)	(3,557)	(3,874)	(93)	(48)	(1,547)	(1,688)	(147)	(311)	(5,104)	**(5,562)**
Net carrying amount as at 31.12.2019	**6,508**	**3,684**	**4,415**	**14,607**	**11,600**	**585**	**992**	**13,177**	**18,108**	**4,269**	**5,407**	**27,784**

As at 31 December 2018	Retail lending Stage 1	Retail lending Stage 2	Retail lending Credit impaired	Retail lending Total	Corporate and Public sector lending Stage 1	Corporate and Public sector lending Stage 2	Corporate and Public sector lending Credit impaired	Corporate and Public sector lending Total	Total loans and advances to customers Stage 1	Total loans and advances to customers Stage 2	Total loans and advances to customers Credit impaired	Total loans and advances to customers Total
Gross Balance 1.1.2018	**5,414**	**6,702**	**11,470**	**23,586**	**9,835**	**849**	**5,736**	**16,420**	**15,249**	**7,551**	**17,206**	**40,006**
Transfer to Stage 1 (from 2 or 3)	433	(408)	(25)	-	332	(330)	(2)	-	765	(738)	(27)	-
Transfer to Stage 2 (from 1 or 3)	(784)	1,642	(858)	-	(182)	306	(124)	-	(966)	1,948	(982)	-
Transfer to Stage 3 (from 1 or 2)	(127)	(869)	996	-	(42)	(75)	117	-	(169)	(944)	1,113	-
New financial assets originated or purchased	326	41	-	367	1,989	22	-	2,011	2,315	63	-	2,378
Derecognition of financial assets	-	-	(226)	(226)	-	-	(63)	(63)	-	-	(289)	(289)
Repayments and other changes	(602)	(507)	(11)	(1,120)	(1,137)	(152)	(147)	(1,436)	(1,739)	(659)	(158)	(2,556)
Changes due to modifications that did not result in derecognition	-	-	(146)	(146)	-	-	(22)	(22)	-	-	(168)	(168)
Write-offs	-	-	(805)	(805)	-	-	(716)	(716)	-	-	(1,521)	(1,521)
Foreign exchange differences	3	7	15	25	46	4	17	67	49	11	32	92
Reclassified as held for sale	(14)	(1)	-	(15)	(30)	(14)	(1)	(45)	(44)	(15)	(1)	(60)
Gross Balance 31.12.2018	**4,649**	**6,607**	**10,410**	**21,666**	**10,811**	**610**	**4,795**	**16,216**	**15,460**	**7,217**	**15,205**	**37,882**
ECL allowance	(58)	(366)	(5,319)	(5,743)	(83)	(51)	(3,035)	(3,169)	(141)	(417)	(8,354)	**(8,912)**
Net carrying amount as at 31.12.2018	**4,591**	**6,241**	**5,091**	**15,923**	**10,728**	**559**	**1,760**	**13,047**	**15,319**	**6,800**	**6,851**	**28,970**

Modification of loans and advances to customers at amortised cost

As at 31 December 2019, the amortised cost (before modification) of financial assets with lifetime ECL whose cash flows were modified during the period amounted to €2,266 million for the Group and the Bank (2018: €2,186 million) resulting in a net modification loss of €84 million for the Group and the Bank (2018: €168 million).

The modification loss represents the difference between the present value of the new contractual cash flows (i.e. based on the modified terms of the loan) discounted by the original effective interest rate of the loan and the carrying amount post write-off (if any). The impact of modification on the ECL allowance associated with these assets for the Group and the Bank was a release of €46 million (2018: €81 million). The net impact on the statement of profit or loss for the period was, therefore, €38 million for the Group and the Bank (2018: €87 million).

Securitisation of loans and advances to customers at amortised cost and Covered Bonds

Loans and advances to customers at amortised cost include securitised loans and loans used as collateral in the covered bonds program, as follows:

Securitized Loans

	Group		Bank	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
SME loans (Sinepeia d.a.c.-August 2016)	-	197	-	197
Total securitized loans	**-**	**197**	**-**	**197**

On 12 July 2016, the Special Purpose Entity Sinepia Designated Activity Company (d.a.c.) was established in Ireland, for the purposes of SME loans securitization, in which the Bank has a beneficial interest. In 2016 Sinepia d.a.c. issued A1, A2, A3 & A4 notes which were placed with the European Investment Bank ("EIB"), the European Investment Fund ("EIF") and the European Bank for Reconstruction and Development ("EBRD"), allowing the Bank to raise €300 million of medium term funding. The Notes were subject to mandatory redemption in whole or in part on each interest payment date (i.e. on a quarterly basis) and only to the extent that the issuer had funds available for such purpose after making payment of any prior ranking liabilities in accordance with the agreement in force.

During 2017, the Bank via Synepia d.a.c. proceeded with the redemption of class A1, A2, A3 and A4 notes held by third parties of €123 million, €29 million, €41 million and €65 million, respectively.

During 2018, NBG via Synepia d.a.c. proceeded with the cancellation part of Class M notes of €96 million.

Sinepia securitization transaction has been unwound on 18 October 2019. On that date, the Bank proceeded with repurchasing from Sinepia DAC all the outstanding SME loan receivables and Sinepia redeemed all the outstanding Class M and Class Z notes held by NBG.

Therefore, the Bank has no securitized notes in issue as at 31 December 2019.

Covered bonds

	Group		Bank	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Mortgages	**4,147**	**4,600**	**4,147**	**4,600**
of which eligible collateral	*4,017*	*4,478*	*4,017*	*4,478*

Under the covered bond Programs I and II, the Bank has the following covered bond series in issue as at 31 December 2019:

Program	Series number	Type of collateral	Issue date	Maturity date	Nominal amount in million €	Interest rate
Program I(1)	Series 6	Residential mortgage loans	5 October 2016	5 April 2021	1,500	Paid quarterly at rate of three month Euribor plus a margin of 50 bps
Program II(2)	Series 7	Residential mortgage loans	19 October 2017	19 October 2020	750	Paid semi-annually at a fixed rate 2.75%
Program II(2)	Series 8	Residential mortgage loans	30 July 2018	28 July 2023	200	Paid annually at a fixed rate 1.85%
Program II(2)	Series 9	Residential mortgage loans	14 August 2018	14 August 2020	400	Paid annually at a fixed rate 0.75%

(1) The issues under this Program are currently rated Baa1 by Moody's and BBB+ by S&P

(2) The issues under this Program are currently rated Baa1 by Moody's, BBB+ by S&P and BBB- by Fitch

The Program II, series 7 covered bonds were issued in October 2017 after a four day roadshow and the attraction of more than 110 institutional investors (86% was sold to international investors and 14% to Greek investors).

The Program II, series 8 is a private placement with EIB. As of 31 December 2018, €100 million (of the originally issued €200 million) were already purchased by EIB. The remaining €100 million were also purchased by EIB in February 2019.

On 11 January 2019, NBG proceeded with the partial cancellation of €100 million of Series 9 covered bonds. Subsequently, on 8 August 2019, the final terms of Series 9, under the covered bond Program II have been amended and the maturity date of the respective Series has been extended from 14 August 2019 to 14 August 2020. Furthermore, on 13 August 2019, NBG proceeded with an additional partial cancellation of €100 million of Series 9 and therefore on 31 December 2019 the remaining outstanding amount is €400 million, all of which is retained by the Bank.

On 19 March 2020 NBG proceeded with an additional partial cancelation of €100 million of Series 9 and therefore the remaining outstanding amount is currently €300 million.

The Series 6 and 9 issue has not been sold to institutional investors, is held by the Bank and therefore is not presented within "Debt securities in issue" (see Note 32).

Information regarding covered bonds and securitizations can be found at the Bank's site (www.nbg.gr) under "Investor Relations\Debt Investors".

Loans and advances to customers at amortised cost include finance lease receivables:

	Group	
	2019	2018
Maturity		
Not later than 1 year	246	322
Later than 1 year but not later than 5 years	262	271
Later than 5 years	205	196
	713	**789**
Unearned future finance income on finance leases	(99)	(100)
Net investment in finance leases	**614**	**689**

ECL Allowance on finance lease receivables as at 31 December 2019 amounts to €145 million (31 December 2018: €289 million).

The net investment in finance leases may be analysed as follows:

	Group	
	2019	2018
Maturity		
Not later than 1 year	225	299
Later than 1 year but not later than 5 years	211	223
Later than 5 years	178	167
Net investment in finance leases	**614**	**689**

NOTE 22: Investment securities

	Group		Bank	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Investment securities measured at fair value though other comprehensive income:				
Debt securities				
Greek government bonds	1,703	675	1,703	675
Treasury bills and other eligible bills	291	812	212	731
Debt securities issued by other governments and public sector entities	609	806	609	806
Corporate bonds incorporated in Greece	117	135	117	135
Debt securities issued by Greek financial institutions	-	13	-	13
Total debt securities	**2,720**	**2,441**	**2,641**	**2,360**
Equity securities	117	127	116	126
Total investment securities measured at fair value though other comprehensive income	**2,837**	**2,568**	**2,757**	**2,486**
Investment securities measured at amortised cost:				
Greek government bonds	4,662	1,237	4,662	1,237
Treasury bills and other eligible bills	74	58	-	-
Debt securities issued by other government and public sector entities	1,189	515	1,067	479
Corporate bonds incorporated in Greece	21	21	21	21
Debt securities issued by Greek financial institutions	41	41	15	16
Debt securities issued by foreign financial institutions	65	-	65	-
Total investment securities measured at amortised cost	**6,052**	**1,872**	**5,830**	**1,753**
Total investment securities	**8,889**	**4,440**	**8,587**	**4,239**

On 5 December 2016, Eurogroup endorsed the implementation of the short-term debt relief measures beginning in early 2017. These measures included, among others, a bond exchange of floating rate notes used for Greek banks' recapitalization for fixed-rate notes with much longer maturities. This exchange was effected at the bonds' carrying amount, therefore, it had no impact on the Bank's income statement. During 2017 the Bank participated in the Bond Exchange Program with €7.1 billion. The outstanding amount of notes eligible for this program as at 31 December 2017, was €1.0 billion. The process of Bond Exchange Program was completed in January 2018 and all outstanding notes have been exchanged.

In February 2019, NBG exchanged the Swap with the Hellenic Republic for three Greek government bonds maturing in 2023, 2025 and 2026 with a total nominal value of €3,314 million and fair value of €3,282 million. The Greek government bonds were classified as Held-To-Collect, measured at amortised cost (see Note 19).

The movement of investment securities may be summarised as follows:

	Group		Bank	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Investment securities measured at fair value though other comprehensive income:				
Balance at 1 January	**2,568**	**862**	**2,486**	**672**
Impact of IFRS 9	-	1,112	-	1,214
Balance at 1 January	**2,568**	**1,974**	**2,486**	**1,886**
Additions within the period	7,983	3,909	7,025	2,924
Disposals (sales and redemptions) within the period	(8,170)	(3,311)	(7,210)	(2,324)
Transfers to Non-current assets held for sale	-	(3)	-	-
Gains / (losses) from changes in fair value	450	(8)	450	(8)
Amortisation of premiums / discounts	6	7	6	7
Balance at 31 December	**2,837**	**2,568**	**2,757**	**2,486**
Investment securities measured at amortised cost:				
Balance at 1 January	**1,872**	**2,919**	**1,753**	**2,780**
Impact of IFRS 9	-	(1,045)	-	(1,144)
Balance at 1 January	**1,872**	**1,874**	**1,753**	**1,636**
Additions within the period	5,474	233	5,299	130
Disposals (sales and redemptions) within the period	(1,312)	(152)	(1,238)	(53)
Transfers to Non-current assets held for sale	-	(124)	-	
Impairment charge	7	36	7	36
Amortisation of premiums / discounts	11	6	8	6
Foreign exchange differences	-	(1)	-	(2)
Balance at 31 December	**6,052**	**1,872**	**5,829**	**1,753**

The disposals of securities measured at amortized cost during the period ended 31 December 2019, include sales of Greek Government Bonds of nominal amount of €125 million and sales of Italian Bonds of nominal amount of €1 billion with realized gain €13 million and €87 million, respectively which are included in Gains / (losses) arising from the derecognition of financial assets measured at amortised cost.

NOTE 23: Investment property

	Group		
	Land	Buildings	Total
Cost			
At 1 January 2018	**472**	**548**	**1,020**
Transfers	27	(1)	**26**
Transfers to Held for Sale	-	(2)	**(2)**
Additions	69	75	**144**
Disposals and write offs	(14)	(18)	**(32)**
At 31 December 2018	**554**	**602**	**1,156**
Accumulated depreciation & impairment			
At 1 January 2018	**(19)**	**(127)**	**(146)**
Transfers	(10)	20	**10**
Transfers to Held for Sale	-	1	**1**
Disposals and write offs	3	5	**8**
Depreciation charge	-	(12)	**(12)**
Impairment charge	(3)	2	**(1)**
At 31 December 2018	**(29)**	**(111)**	**(140)**
Net book amount at 31 December 2018	**525**	**491**	**1,016**
Cost			
At 1 January 2019	**554**	**602**	**1,156**
Acquisition/ Disposal of subsidiary(ies)	(496)	(493)	**(989)**
Transfers	10	34	**44**
Transfers to Held for Sale	(8)	(10)	**(18)**
At 31 December 2019	**60**	**133**	**193**
Accumulated depreciation & impairment			
At 1 January 2019	**(29)**	**(111)**	**(140)**
Disposal of subsidiary(ies)	21	78	**99**
Depreciation charge	-	(2)	**(2)**
Impairment charge	1	1	**2**
At 31 December 2019	**(7)**	**(34)**	**(41)**
Net book amount at 31 December 2019	**53**	**99**	**152**

The fair value of investment property as at 31 December 2019 exceeded the carrying amount and amounted to €186 million (31 December 2018: €1,143 million). The significant decrease as compared to 2018 is due to the sale of NBG Pangaea REIC (see Note 43). Rental income for the year ended 31 December 2019 amounts to €4 million (2018: €55 million).

NOTE 24: Equity method investments

	Group		Bank	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
At 1 January	**8**	**8**	**7**	**7**
Impairment charge	-	-	(1)	-
At 31 December	**8**	**8**	**6**	**7**

The Group's and Bank's equity method investments are as follows:

			Group		Bank	
	Country	Tax years unaudited	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Social Securities Funds Management S.A.	Greece	2014-2019	20.00%	20.00%	20.00%	20.00%
Larco S.A.	Greece	2010-2019	33.36%	33.36%	33.36%	33.36%
Eviop Tempo S.A.	Greece	2014-2019	21.21%	21.21%	21.21%	21.21%
Teiresias S.A.	Greece	2010-2019	39.93%	39.93%	39.93%	39.93%
Planet S.A.	Greece	2010-2019	36.99%	36.99%	36.99%	36.99%
Pyrrichos Real Estate S.A.	Greece	2012-2019	21.83%	21.83%	21.83%	21.83%
Sato S.A.	Greece	2014-2019	23.74%	23.74%	23.74%	23.74%
Olganos S.A.	Greece	2014-2019	33.60%	33.60%	33.60%	33.60%

Summarised financial information in respect of the Group's equity method investments is set out below based on the most recent financial information available:

	31.12.2019	31.12.2018
Total assets	56	54
Total liabilities	22	21
Net assets	34	33
Group's share of net assets of equity method investments	8	8
Total revenue	**60**	**57**
Total profit/(loss) for the year	**1**	**-**

The difference between the "Equity method investments" and the Group's share of net assets of equity method investments represents purchased goodwill.

NOTE 25: Goodwill, software and other intangible assets

	Group				Bank		
	Goodwill	Software	Other intangible assets	Total	Software	Other intangible assets	Total
Cost							
At 1 January 2018	**21**	**566**	**156**	**743**	**515**	**150**	**665**
Transfers	(20)	3	(3)	**(20)**	3	(3)	**-**
Reclassified as held for sale	-	(12)	-	**(12)**	-	-	**-**
Additions	-	41	21	**62**	39	21	**60**
At 31 December 2018	**1**	**598**	**174**	**773**	**557**	**168**	**725**
Accumulated amortisation & impairment							
At 1 January 2018	**(21)**	**(467)**	**(123)**	**(611)**	**(422)**	**(118)**	**(540)**
Transfers	20	-	-	**20**	-	-	**-**
Reclassified as held for sale	-	7	-	**7**	-	-	**-**
Amortization charge	-	(37)	(2)	**(39)**	(36)	(2)	**(38)**
At 31 December 2018	**(1)**	**(497)**	**(125)**	**(623)**	**(458)**	**(120)**	**(578)**
Net book amount at 1 December 2018	**-**	**101**	**49**	**150**	**99**	**48**	**147**
Cost							
At 1 January 2019	**1**	**598**	**174**	**773**	**557**	**168**	**725**
Additions	-	53	36	**89**	52	37	**89**
At 31 December 2019	**1**	**651**	**210**	**862**	**609**	**205**	**814**
Accumulated amortisation & impairment							
At 1 January 2019	**(1)**	**(497)**	**(125)**	**(623)**	**(458)**	**(120)**	**(578)**
Amortisation charge	-	(35)	(3)	**(38)**	(35)	(2)	**(37)**
At 31 December 2019	**(1)**	**(532)**	**(128)**	**(661)**	**(493)**	**(122)**	**(615)**
Net book amount at 31 December 2019	**-**	**119**	**82**	**201**	**116**	**83**	**199**

NOTE 26: Property and equipment

Group	Land	Buildings	Vehicles & equipment	Assets under construction	Land & buildings – RoU Asset	Leasehold improvements	Total
Cost							
At 1 January 2018	**775**	**760**	**727**	**9**	**-**	**132**	**2,403**
Transfers	(12)	(7)	-	(10)	-	(8)	**(37)**
Reclassified as held for sale	(18)	(14)	(7)	-	-	(3)	**(42)**
Additions	-	3	31	2	-	13	**49**
Disposals and write offs	-	-	(24)	-	-	-	**(24)**
At 31 December 2018	**745**	**742**	**727**	**1**	**-**	**134**	**2,349**
Accumulated depreciation & impairment							
At 1 January 2018	**(154)**	**(382)**	**(665)**	**-**	**-**	**(116)**	**(1,317)**
Transfers	-	9	-	-	-	-	**9**
Reclassified as held for sale	-	12	6	-	-	3	**21**
Disposals and write offs	-	-	24	-	-	-	**24**
Depreciation charge	-	(12)	(22)	-	-	(5)	**(39)**
Impairment charge	(1)	-	-	-	-	-	**(1)**
At 31 December 2018	**(155)**	**(373)**	**(657)**	**-**	**-**	**(118)**	**(1,303)**
Net book amount at 31 December 2018	**590**	**369**	**70**	**1**	**-**	**16**	**1,046**
Cost							
At 1 January 2019	**745**	**742**	**727**	**1**	**-**	**134**	**2,349**
First time adoption of IFRS 16	-	-	-	-	64	-	**64**
Disposal of subsidiaries	(358)	(279)	-	-	1,286	56	**705**
Transfers	-	3	-	(1)	-	(2)	**-**
Additions	-	2	35	1	3	9	**50**
Modifications / Remeasurements / Termination	-	-	-	-	(48)	-	**(48)**
Disposals and write offs	(1)	(2)	(3)	-	-	-	**(6)**
At 31 December 2019	**386**	**466**	**759**	**1**	**1,305**	**197**	**3,114**
Accumulated depreciation & impairment							
At 1 January 2019	**(155)**	**(373)**	**(657)**	**-**	**-**	**(118)**	**(1,303)**
Reclassified as held for sale	-	-	(1)	-	-	-	**(1)**
Disposals and write offs	-	1	3	-	-	-	**4**
Depreciation charge	-	(5)	(22)	-	(51)	(9)	**(87)**
Impairment charge	(7)	1	-	-	(6)	-	**(12)**
At 31 December 2019	**(162)**	**(376)**	**(677)**	**-**	**(57)**	**(127)**	**(1,399)**
Net book amount at 31 December 2019	**224**	**90**	**82**	**1**	**1,248**	**70**	**1,715**

Included in depreciation of leasehold improvements and in impairment charge of RoU assets of 2019, the amounts of €2 million and €6 million, respectively, relating to leased properties abandoned due to reduction of Bank branches in accordance with the restructuring plan. These expenses are presented under restructuring costs in Income Statement.

Bank	Land	Buildings	Vehicles & equipment	Assets under construction	Land & buildings – RoU Asset	Vehicles – RoU Asset	Leasehold improvements	Total
Cost								
At 1 January 2018	**83**	**92**	**649**	**1**	**-**	**-**	**183**	**1,008**
Transfers	-	-	-	(1)	-	-	1	**-**
Reclasified as held for sale	-	-	(2)	-	-	-	(1)	**(3)**
Additions	-	2	30	1	-	-	13	**46**
Disposals and write offs	-	-	(24)	-	-	-	-	**(24)**
At 31 December 2018	**83**	**94**	**653**	**1**	**-**	**-**	**196**	**1,027**
Accumulated depreciation & impairment								
At 1 January 2018	**(5)**	**(43)**	**(592)**	**-**	**-**	**-**	**(120)**	**(760)**
Reclasified as held for sale	-	-	1	-	-	-	1	**2**
Disposals and write offs	-	-	24	-	-	-	-	**24**
Depreciation charge	-	(1)	(21)	-	-	-	(8)	**(30)**
Impairment charge	(1)	-	-	-	-	-	-	**(1)**
At 31 December 2018	**(6)**	**(44)**	**(588)**	**-**	**-**	**-**	**(127)**	**(765)**
Net book amount at 31 December 2018	**77**	**50**	**65**	**1**	**-**	**-**	**69**	**262**
Cost								
At 1 January 2019	**83**	**94**	**653**	**1**	**-**	**-**	**196**	**1,027**
First time adoption of IFRS 16	-	-	-	-	1,089	5	-	1,094
Additions	-	1	33	-	2	1	10	**47**
Modifications / Remeasurements / Termination	-	-	-	-	(40)	-	-	**(40)**
Disposals and write offs	(1)	(1)	(1)	-	-	-	-	**(3)**
At 31 December 2019	**82**	**94**	**685**	**1**	**1,051**	**6**	**206**	**2,125**
Accumulated depreciation & impairment								
At 1 January 2019	**(6)**	**(44)**	**(588)**	**-**	**-**	**-**	**(127)**	**(765)**
Disposals and write offs	-	-	1	-	-	-	-	**1**
Depreciation charge	-	(1)	(21)	-	(63)	(1)	(11)	**(97)**
Modifications / Remeasurements / Termination	-	-	-	-	5	-	-	**5**
Impairment charge	-	-	-	-	(5)		-	**(5)**
At 31 December 2019	**(6)**	**(45)**	**(608)**	**-**	**(63)**	**(1)**	**(138)**	**(861)**
Net book amount at 31 December 2019	**76**	**49**	**77**	**1**	**988**	**5**	**68**	**1,264**

Included in depreciation of leasehold improvements and in impairment charge of RoU assets of 2019, the amounts of €2 million and €5 million, respectively, relating to leased properties abandoned due to reduction of Bank branches in accordance with the restructuring plan. These expenses are presented under restructuring costs in Income Statement.

NOTE 27: Deferred tax assets and liabilities

	Group		Bank	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Deferred tax assets:				
Unamortised PSI losses	2,018	2,110	2,018	2,110
Property and equipment and intangible assets	1	1	-	-
Loans and advances to customers at amortised cost	2,892	2,797	2,888	2,796
Other temporary differences	-	1	-	-
Deferred tax assets	**4,911**	**4,909**	**4,906**	**4,906**

	Group	
	31.12.2019	31.12.2018
Deferred tax liabilities:		
Property and equipment and intangible assets	2	4
Loans and advances to customers at amortised cost	7	6
Other temporary differences	3	4
Deferred tax liabilities	**12**	**14**

Deferred tax charge in the income statement	Group		Bank	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Unamortised PSI losses	(92)	(92)	(92)	(92)
Property and equipment and intangible assets	(2)	-	-	-
Loans and advances to customers at amortised cost	94	89	92	92
Other temporary differences	(1)	(2)	-	-
Deferred tax charge in the income statement	**(1)**	**(5)**	**-**	**-**
Deferred tax through OCI	-	(1)	-	-
Net deferred tax movement	**(1)**	**(6)**	**-**	**-**

The Group and the Bank believe that the realization of the recognized DTA of €4,911 million and €4,906 million for the Group and the Bank, respectively, at 31 December 2019 is probable based upon expectations of Group's and Bank's taxable income in the future.

At 31 December 2019, cumulative Group tax losses amounted to €3,548 million (2018: €5,081 million) and were incurred in 2015 through to 2019. The amount of €3,483 million (2018: €5,021 million) relates to the Bank and was incurred in 2015 through to 2019. Management has estimated that tax losses of €3 million for the Group and Nil for the Bank (2018: €4 million and Nil) can be utilised thus a DTA of €1 million and Nil (2018: €1 million and Nil) for the Group and the Bank respectively has been recognised. The unused tax losses amounted to €3,545 million for the Group and €3,483 million for the Bank (2018: €5,078 million and €5,021 million) and the unrecognised DTA amounted to €1,025 million and €1,010 million (2018: €1,471 million and €1,456 million) respectively.

The following table presents the year of expiration of the unused tax losses for the Group and the Bank.

	Group	Bank
Year	31.12.2019	31.12.2019
2020	940	933
2021	2,131	2,112
2022	218	215
2023	34	-
2024	225	223
Total	**3,548**	**3,483**

The Group and the Bank have offset the deferred tax assets and deferred tax liabilities on an entity by entity basis based on the legally enforceable right to set off the recognized amounts i.e. offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

NOTE 28: Other assets

	Group		Bank	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Accrued interest and commissions	10	47	10	49
Receivables from Greek State	803	734	799	720
Tax prepayments and other recoverable taxes	2	5	-	1
Trade receivables	32	82	10	11
Assets acquired through foreclosure proceedings	346	213	333	201
Prepaid expenses	31	34	26	28
Hellenic Deposit and Investment Guarantee Fund	494	494	494	494
Cheques and credit card transactions under settlement	91	30	88	29
Other	635	138	590	104
Total	**2,444**	**1,777**	**2,350**	**1,637**

Receivables from Greek State of €803 million and €799 million as at 31 December 2019 (31 December 2018: €734 million and €720 million) for the Group and the Bank respectively, mainly include amounts claimed or eligible to be claimed from the Hellenic Republic relating to mortgage loans guaranteed from the Hellenic Republic.

In accordance with article 9 of Greek Law 4370/07.03.2016, the upper coverage level for the amount of deposits guaranteed by the Hellenic Deposit and Investment Guarantee Fund (HDIGF) is €100 thousand per client. Accordingly, the contributions paid by credit institutions to HDIGF increased from 2008 onwards.

Greek Law 4370/07.03.2016 article 25 par. 8, 9 and 10 provides that the Supplementary Deposit Cover Fund (SDCF), is considered as a distinct group of assets which consists of the annual contributions of the credit institutions, pursuant to paragraph 2 of Article 6 of Greek Law 3714/2008 (A '231). The assets of the SDCF are considered to be assets of the SDCF members credit institutions, according to their participation in it and is part of the funds of and subject to management by the HDIGF, for the achievement of its objectives.

In accordance with article 13 of Greek Law 4370/2016, HDIGF guarantees up to an amount of €30 thousand per client for investing activities. In 2010, the participating credit institutions paid the first contributions. The said contributions are included in a special reserve which is jointly owned by the credit institutions in proportion to their participation. Each credit institution participating in the Investment

Cover Scheme (ICS) has an individual share in it. The individual share of each ICS member is proportional to its participation in the assets of the ICS, Article 30/4370/ 07.03.2016.

In accordance with article 36 of Greek Law 4370/07.03.2016, the Resolution Scheme (RS) assets, as Resolution Fund for credit institutions, are from ordinary contributions paid in advance, extraordinary contributions and alternative means of funding, pursuant to the internal articles 98, 99 and 100 of Article 2 of Greek Law 4355/2015. The contributions are determined in accordance with the provisions in force.

Also, according to Regulation (EU) 806/2014, the Bank participates in the Single Resolution Fund, through predetermined regular annual contributions, set by the SRB (Single Resolution Board).

Included in other is an investment in a sublease for the Group and the Bank with a carrying amount of €43million as at 31 December 2019 (2018: NIL).

NOTE 29: Assets and liabilities held for sale and discontinued operations

Non-current assets held for sale at 31 December 2019 comprise of NIC, NBG Cyprus Ltd, NBG Cairo Branch and CAC Coral Ltd while at 31 December 2018 comprised of Banca Romaneasca, NIC, NBG Cyprus Ltd, NBG Cairo Branch and Grand Hotel S.A. The profit or losses from discontinued operations for the period ended 31 December 2019, comprises of Banca Romaneasca, NIC, NBG Cyprus Ltd, NBG Cairo Branch, NBG Pangaea REIC and CAC Coral Ltd. The comparative profit or loss from discontinued operations includes S.A.B.A., Banca Romaneasca, NIC, NBG Albania, NBG Cyprus Ltd, NBG Cairo Branch and has been re-presented to also include NBG Pangaea REIC (which was classified as discontinued operations in March 2019) and CAC Coral Ltd (which was classified as discontinued operations in December 2019).

Banka NBG Albania Sh.A.

On 2 February 2018, the Bank entered into a definitive agreement with American Bank of Investments S.A. ("ABI") for the divestment to ABI of its entire stake (100%) in its subsidiary Banka NBG Albania Sh.A. ("NBG Albania"). The agreed consideration for the disposal amounted to €25 million.

The disposal was completed on 3 July 2018, on which date control of NBG Albania passed to ABI. Details of the assets and liabilities disposed of, and the calculation of the profit or loss on disposal of the above transaction, are disclosed in Note 43 of these financial statements.

The South African Bank of Athens Ltd

On 22 December 2016, the Group entered into a definitive agreement with AFGRI Holdings Proprietary Limited ("AFGRI"), a company incorporated in the Republic of South Africa for the divestment to AFGRI of its 99.83% stake in its South African subsidiary S.A.B.A. The agreed consideration for the disposal of the subsidiary amounts to €18 million (ZAR 301 million).

The disposal was completed on 4 October 2018, on which date control of SABA passed to AFGRI. Details of the assets and liabilities disposed of, and the calculation of the profit or loss on disposal of the above transaction, are disclosed in Note 43.

Grand Hotel Summer Palace S.A.

On 18 October 2018 the Bank announced the opening of the sale process of its total shareholding in its 100% subsidiary Grand Hotel Summer Pallace S.A. ("Grand Hotel") through an open auction with seal bids on 10 December 2018. Upon completion of the aforementioned process the Bank on 14 January 2019 entered into a sale agreement with the highest bidder, Mitsis Company S.A., to dispose of its 100% stake in Grand Hotel. The agreed consideration for the disposal amounted to €50 million.

The disposal was completed on 5 April 2019, on which date control of Grand Hotel passed to Mitsis Company S.A. Details of the assets and liabilities disposed of, and the calculation of the profit or loss on disposal of the above transaction, are disclosed in Note 43.

NBG Pangaea REIC

On 29 March 2019 the Bank received from Invel Real Estate (Netherlands) II B.V. ("Invel") a call Option Exercise Notice to acquire NBG's shareholding to NBG Pangaea REIC, pursuant to the Shareholders Agreement entered into between NBG, Invel, Invel Real Estate Partners Greece L.P, Invel Real Estate Partners Greece SAS, Invel Real Estate Partners Two Limited and NBG Pangaea REIC. According to the relevant terms of the Shareholders Agreement, the entities nominated by Invel, namely "Invel Real Estate B.V." and CL Hermes Opportunities L.P., ("the Buyers") acquired NBG's Shareholding on 23 May 2019 at call option price €4.684 per share. The total amount received for NBG's Shareholding (comprising 83,438,113 shares of NBG Pangaea REIC) was amounted to €391 million.

On 23 May 2019 control of NBG Pangaea REIC passed to the Buyers. Details of the assets and liabilities disposed of, and the calculation of the profit or loss on disposal of the above transaction, are disclosed in Note 43.

National Bank of Greece – Egyptian Branch Network

The divestment of NBG's Branch Network in Egypt ("NBG Egypt") is an obligation of NBG under its amended Restructuring Plan. On 31 January 2018, the Board of Directors of NBG resolved to apply to the Central Bank of Egypt in order to commence the sales process, as per the local regulatory requirement.

The application was finally submitted in March 2018, the approval to commence the sales process was granted in July 2018 and the sales process was launched in October 2018.

NBG Egypt has been classified as held for sale and discontinued operations.

The Bank signed a definitive agreement to sell certain assets and liabilities of NBG Egypt to Bank Audi SAE on 2 May 2019. Closing of the transaction is subject to the approval of the Central Bank of Egypt ("CBE"). The Central Bank of Lebanon approved the transaction in June 2019.

Given that the CBE approval was still pending 6 months after the signing of the definitive agreement, Bank Audi SAE issued an agreement termination notice in November 2019.

NBG and Bank Audi SAE are in discussions to examine ways to complete the transaction.

Banca Romaneasca S.A.

On 20 June 2019, the Bank entered into a definitive agreement with Export-Import Bank of Romania ("EximBank") for the sale of its 99.28% stake in Banca Romaneasca.

On 30 December 2019 control of Banca Romaneasca passed to the Buyers. Details of the assets and liabilities derecognized and the calculation of the profit or loss on disposal of the above transaction are disclosed in Note 43.

National Bank of Greece (Cyprus) Ltd

A shares sale and purchase agreement has been signed with Astrobank on 26 November 2019, for the sale of its 100% stake in National Bank of Greece (Cyprus) Ltd, while the transaction is currently expected to be concluded by the end of 1st Semester 2020 post approval of the competent regulatory authorities.

NBG Cyprus has been classified as held for sale and discontinued operations.

Ethniki Hellenic General Insurance S.A.

NBG relaunched NIC's sales process in October 2019. NBG has received binding offers and at this time is in the process of evaluating them.

NIC has been classified as held for sale and discontinued operations.

CAC Coral Ltd

The divestment of CAC Coral Ltd has been launched in December 2019, while signing of the transaction documents is expected to occur in the second quarter 2020.

CAC Coral Ltd has been classified as held for sale and discontinued operations.

Condensed income statement of discontinued operations [1]

	Group		Bank	
	12 month period ended		12 month period ended	
€ million	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Net interest income	93	103	3	5
Net fee and commission income	(3)	3	1	1
Earned premia net of claims and commissions	102	95	-	-
Net trading income / (loss) and results from investments securities	26	8	(10)	1
Other income	44	65	8	-
Total income	**262**	**274**	**2**	7
Operating expenses	(168)	(184)	(5)	(6)
Provisions and impairments[2]	(561)	(86)	(269)	(55)
Profit before tax	**(467)**	**4**	**(272)**	**(54)**
Tax benefit/(expense)	(29)	(38)	-	(1)
Profit for the period from discontinued operations	**(496)**	**(34)**	**(272)**	**(55)**
Profit on disposal (see Note 43)	2	(3)	129	-
Total profit for the period from discontinued operations (attributable to NBG equity shareholders)	**(494)**	**(37)**	**(143)**	**(55)**

[1] Includes Banka Romaneasca, NIC, NBG Cyprus Ltd, NBG Pangaea REIC, NBG Cairo branch and CAC Coral Limited, while in 2018 S.A.B.A. and NBG Albania are also included.
[2] Provisions and impairments refer to remeasurement impairments and is mainly attributed to NIC and further to Banca Romaneasca, National Bank of Greece (Cyprus) Ltd, NBG Egypt and CAC Coral Ltd.

€ million	31.12.2019	31.12.2018
Cash Flows from discontinued operations		
Net cash inflows/(outflows) from operating activities	234	384
Net cash inflows/(outflows) from investing activities	(280)	(293)
Net cash inflows/(outflows) from financing activities	104	107
Net Cash inflows /(outflows)	**58**	**198**

Analysis of non-current assets held for sale and liabilities associated with non-current assets held for sale

	Group		Bank	
ASSETS	31.12.2019[(1)]	31.12.2018[(2)]	31.12.2019[(1)]	31.12.2018
Cash and balances with central banks	72	227	17	25
Due from banks	158	299	44	353
Financial assets at fair value through profit or loss	75	64	55	50
Derivative financial instruments	1	1	-	-
Loans and advances to customers	792	1,217	401	52
Investment securities	2,916	2,494	640	66
Investment property	15	90	-	-
Investments in subsidiaries	-	-	-	904
Goodwill, software and other intangible assets	1	16	-	-
Property and equipment	6	141	-	-
Deferred tax assets	43	125	-	-
Insurance related assets and receivables	453	455	-	-
Current income tax advance	11	19	-	-
Other assets	56	67	2	2
Non-current assets held for sale	10	6	-	-
Total assets	**4,609**	**5,221**	**1,159**	**1,452**
LIABILITIES				
Due to banks	17	11	-	-
Due to customers	687	1,590	100	99
Insurance related reserves and liabilities	2,431	2,210	-	-
Deferred tax liabilities	-	1	(1)	-
Retirement benefit obligations	56	66	-	-
Other liabilities	402	214	15	12
Total liabilities	**3,593**	**4,092**	**114**	**111**

(1) Includes NIC, NBG Cairo branch, NBG Cyprus Ltd and CAC Coral Ltd.
(2) Includes NIC, B.R.O.M., NBG Cairo branch and NBG Cyprus Ltd and Grand Hotel Summer Palace S.A.

NOTE 30: Due to banks

	Group		Bank	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Demand deposits due to credit institutions	191	51	224	158
Time deposits due to credit institutions	284	125	524	431
Interbank deposits	50	37	108	100
Amounts due to ECB and Central Banks	2,250	2,250	2,250	2,250
Securities sold under agreements to repurchase	500	4,099	500	4,099
Margin Accounts	864	789	864	789
Other	310	316	310	316
Total	**4,449**	**7,667**	**4,780**	**8,143**

Securities sold under agreements to repurchase were significantly reduced during 2019 as a result of lower funding needs of the Bank and increase in other sources of liquidity (Due to customers and other borrowed funds).

NOTE 31: Due to customers

	Group		Bank	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Deposits:				
Individuals	33,672	31,866	32,483	30,734
Corporate	6,651	6,102	6,854	6,457
Government and agencies	3,325	5,059	3,324	5,058
Total	**43,648**	**43,027**	**42,661**	**42,249**

	Group		Bank	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Deposits:				
Savings accounts	21,066	19,449	20,907	19,306
Current & Sight accounts	9,974	9,142	9,877	9,233
Time deposits	11,767	13,640	11,034	12,908
Other deposits	841	785	843	791
	43,648	**43,016**	**42,661**	**42,238**
Securities sold to customers under agreements to repurchase	-	11	-	11
	-	**11**	**-**	**11**
Total	**43,648**	**43,027**	**42,661**	**42,249**

Included in time deposits are deposits, which contain one or more embedded derivatives. The Group has designated such deposits as financial liabilities at fair value through profit or loss. As at 31 December 2019, these deposits amounted to €279 million (31 December 2018: €1,043 million).

In accordance with Greek Law 4151/2013, all dormant deposit accounts are subject to statute of limitations of 20 years in favour of the Greek State. All banks operating in Greece are required by April of every year to remit the cash balances of such dormant accounts to the Greek State. The Bank for 2019 and until 31 December 2019 has remitted to the Greek State €3 million in respect to dormant account balances.

NOTE 32: Debt securities in issue

	Group			Bank		
	Weighted Interest rate	31.12.2019	31.12.2018	Weighted Interest rate	31.12.2019	31.12.2018
Corporate bonds – floating rate	-	-	298	-	-	-
Covered bonds – fixed rate	2.56%	953	848	2.56%	953	848
Fixed rate notes	8.25%	412	-	8.25%	412	-
Total		**1,365**	**1,146**		**1,365**	**848**

The financial terms of debt securities in issue as of 31 December 2019, are as follows:

Issuer	Type	Issue date	Maturity date	Currency	Outstanding Nominal amount	Interest rate
Covered bonds						
NBG	Fixed rate covered bonds – Program II Series 7	19 October 2017	October 2020	EUR	750	Paid semi-annually at a fixed coupon rate of 2.75%
NBG	Fixed rate covered bonds – Program II Series 8	30 July 2018	July 2023	EUR	200	Paid annually at a fixed coupon rate of 1.85%
Fixed rate notes						
NBG	Tier II Notes- Global Medium Term Note Program	18 July 2019	July 2029 (1)	EUR	400	Paid annually at a fixed coupon rate of 8.25%

(1) First Reset Date: 18 July 2024

The movement of debt securities in issue may be summarised as follows:

	Group		Bank	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Balance at 1 January	**1,146**	**1,026**	**848**	742
Additions within the period	547	159	396	100
Disposals (sales and redemptions) within the period	(35)	(61)	(30)	(12)
Sold Back	132	14	132	14
Accruals	18	3	16	1
Amortisation of premiums / discounts	4	4	3	3
Disposals of subsidiaries	(447)	-	-	-
Other	-	1	-	-
Balance at 31 December	**1,365**	**1,146**	**1,365**	**848**

Additions within the period include the Bank's Tier II Notes of €400 million (see above) and the issuance of €150 million debt securities of NBG Pangaea REIC, before its disposal on 23 May 2019.

Sold back securities mainly refer to the remaining amount of €100 million of Series 8 covered bonds, which initially had been retained by the Bank, but on 12 February 2019 they were placed with European Investment Bank ("EIB").

Disposals of subsidiaries include debt securities in issue of NBG Pangaea REIC due to its disposal on 23 May 2019.

NOTE 33: Other borrowed funds

	Group		Bank	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Loans-fixed rate	3	5	-	-
Loans-floating rate	2	263	-	-
Total	**5**	**268**	**-**	**-**

The movement of other borrowed funds may be summarised as follows:

	Group		Bank	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Balance at 1 January	**268**	**171**	**-**	**-**
Additions within the period	41	108	-	-
Disposals (sales and redemptions) within the period	(84)	(12)	-	-
Disposals of subsidiaries	(222)	-	-	-
Accruals	2	1	-	-
Balance at 31 December	**5**	**268**	**-**	**-**

Fixed and floating rate borrowings of the Group include borrowings from Stopanska Banka A.D. Fixed rate borrowings amounting to €3 million (1 million in EUR and 2 million in MKD) and floating rate borrowings amounting to €2 million, all denominated in MKD.

The reduction in other borrowed funds as of 31 December 2019, is mainly due to the disposal of NBG Pangaea REIC on 23 May 2019, (see Note 43).

NOTE 34: Other liabilities

	Group		Bank	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Accrued interest and commissions	2	2	2	2
Creditors and suppliers	318	241	203	182
Amounts due to government agencies	37	55	38	53
Collections for third parties	211	202	211	202
Other provisions	132	144	129	303
Taxes payable – other than income taxes	39	46	36	37
Accrued expenses and deferred income	35	33	31	31
Payroll related accruals	79	28	77	27
Lease Liability	1,306	-	1,057	-
Other	602	113	590	93
Total	**2,761**	**864**	**2,374**	**930**

The movement of lease liability for the Group and the Bank may be summarised as follows:

	Group	Bank
	31.12.2019	31.12.2019
At 1 January 2019		
First time adoption of IFRS 16	103	1,131
Additions	4	3
Disposal of subsidiaries	1,283	-
Modifications / Remeasurements / Termination	(46)	(36)
Interest Expense	18	46
Lease payments during the year	(56)	(87)
Balance at 31 December 2019	**1,306**	**1,057**

Lease liability

Following the disposal of NBG Pangaea REIC in the second quarter of 2019, the Group recognised additional Right of Use assets and lease liabilities of €1,286 million and €1,283 million, respectively, (see Note 26 and 43).

As at 31 December 2019 approximately 87% and 79% of the lease liability recognized by the Group and the Bank respectively is with Prodea Investments (formally known as NBG Pangaea REIC).

Extension options

The Group leases a number of buildings that have extension options that are exercisable solely by the Group. These are used to maximize operational flexibility in terms of managing the assets used in the Group's operations. These leases have a weighted average non-cancellable period of 19 years (excluding the flexibility and cancelation mechanism described below) and an additional weighted average maximum extension period exercisable at the option of the Group of 10 years. The current estimated period of lease contracts to be extended on a weighted average basis is approximately 4.5 years since the Bank only reasonably expects to exercise this option on strategic properties.

Flexibility mechanism

Allows NBG to terminate leases with Prodea Investments annually up to 0,83% of the TBR (Total Base Rent). NBG has the right to roll over any unused percentages of the TBR to subsequent lease years for a maximum of three years for each annual unused percentage. No lease can be terminated for some of the leased space and remain in effect for the remainder.

Cancelation mechanism

This mechanism gives NBG the right to terminate specific leases with Prodea Investments after 2028 and until their maturity, as long as the leases terminated do not exceed 65% of the TBR including all leases that have already been terminated with the procedure described in the preceding paragraph.

As at 31 December 2019 EUR 6 million and EUR NIL of lease liabilities for the Group and the Bank were recognised using the flexibility and cancelation mechanism respectively.

The movement of other provisions for the Group and the Bank may be summarised as follows:

	Group							
	2019				2018			
	Litigation	Provisions for forfeiture of letters of guarantee (LG's)	Other	Total	Litigation	Provisions for forfeiture of letters of guarantee (LG's)	Other	Total
Balance at 1 January	**67**	**67**	**10**	**144**	**76**	**-**	**5**	**81**
Transfer from loan provisions due to IFRS 9	-	-	-	**-**	**-**	71	-	**71**
Transfer to liabilities associated with non-current assets held for sale	-	-	-	**-**	(2)	-	(5)	**(7)**
Transfer to other assets	-	-	-	**-**	(4)	-	(4)	**(8)**
Provisions recognized during the year	(2)	-	(84)	**(86)**	(5)	-	(52)	**(57)**
Provisions charged/ (released) to income statement during the year	(11)	(16)	101	**74**	2	(4)	66	**64**
Balance at 31 December	**54**	**51**	**27**	**132**	**67**	**67**	**10**	**144**

	Bank							
	2019				2018			
	Litigation	Provisions for forfeiture of letters of guarantee (LG's)	Other	Total	Litigation	Provisions for forfeiture of letters of guarantee (LG's)	Other	Total
Balance at 1 January	64	225	14	**303**	**71**	**-**	**4**	**75**
Transfer from loan provisions due to IFRS 9	-	-	-	**-**	**-**	**288**	**-**	**288**
Transfer to liabilities associated with non-current assets held for sale	-	-	-	**-**	-	-	(1)	**(1)**
Transfer to other assets	-	-	-	**-**	(4)	-	-	**(4)**
Provisions recognized during the year	(2)	(147)	(84)	**(233)**	(5)	(54)	(52)	**(111)**
Provisions charged/ (released) to income statement during the year	(13)	(25)	97	**59**	2	(9)	63	**56**
Balance 31 December	**49**	**53**	**27**	**129**	**64**	**225**	**14**	**303**

Legal proceedings*:* The Bank and certain of its subsidiaries are defendants in certain claims and legal actions and proceedings arising in the ordinary course of business. These actions and proceedings are generally based on alleged violations of consumer protection, banking, employment and other laws. None of these actions and proceedings is individually material. The Group and the Bank establishe provisions for all litigations, for which they believe it is probable that a loss will be incurred and the amount of the loss can be reasonably estimated. These provisions may change from time to time, as appropriate, in light of additional information. For the cases for which a provision has not been recognized, management is not able to reasonably estimate possible losses, since the proceedings may last for many years, many of the proceedings are in early stages, there is uncertainty of the likelihood of the final result, there is uncertainty as to the outcome of pending appeals and there are significant issues to be resolved. However, in the opinion of management, after consultation with legal counsel, the final outcome of these matters is not expected to have a material adverse effect on the Group's and Bank's Statement of Financial Position, results of operation or cash flows.

NOTE 35: Contingent liabilities, pledged assets, transfers of financial assets and commitments

a. Legal proceedings

The Group is a defendant in certain claims and legal actions arising in the ordinary course of business. For the cases for which a provision has not been recognized, Management is unable to estimate the possible losses because the proceedings may last for many years, many of the proceedings are in early stages, there is uncertainty of the likelihood of the final result, there is uncertainty as to the outcome of the pending appeals and there are significant issues to be resolved. However, in the opinion of Management, after consultation with its legal counsel, the ultimate disposition of these matters is not expected to have a material adverse effect on the Group and the Bank's Statement of Financial Position, Income Statement and Cash Flow Statement, taking into account that at 31 December 2019 the Group and the Bank have provided for cases under litigation the amounts of €54 million and €49 million respectively (31 December 2018: €67 million and €64 million respectively).

b. Pending tax audits

Tax authorities have not yet audited all subsidiaries for certain financial years and accordingly their tax obligations for those years may not be considered final. Additional taxes and penalties may be imposed as a result of such tax audits; although the amount cannot be determined, it is not expected to have a material effect on the consolidated Statement of Financial Position.

The years 2011-2016 have been tax audited by Deloitte Certified Public Accountants S.A., in accordance with article 82 of Greek Law 2238/1994 and subsequently with article 65A of Greek Law 4174/2013 and the tax audit certificates which were unqualified, were issued on 27 July 2012, 27 September 2013, 10 July 2014, 30 October 2015, 30 September 2016 and 23 October 2017 respectively. The years 2017 and 2018 have been tax audited by PWC S.A. and the tax certificates, which were unqualified, issued on 26 October 2018 and 31 October 2019, respectively. The year 2019 will also be tax audited by PWC S.A. however; it is not expected to have a material effect on the Group and the Bank's Statement of Financial Position.

On 31 December 2018, the right of the tax authorities to issue a deed for re-calculation of income tax for the years up to and including year 2012 expired. Furthermore, the year 2013, according to the Decision 320/2020 of the Council of State, is considered as permanently tax audited. For the years 2014 onwards, in accordance with the Ministerial Decision 1006/2016 there is no exception from tax audit by the tax authorities to those entities that have been tax audited by the independent auditor and its tax audit certificate was unqualified.

Therefore, the tax authorities may re-audit the tax books of the Bank. However, it is not expected to have a material effect on the Group and the Bank's Statement of Financial Position.

For the subsidiaries and associates regarding unaudited tax years refer to Note 44 and Note 24 respectively.

c. Credit commitments

In the normal course of business, the Group enters into a number of contractual commitments on behalf of its customers and is a party to financial instruments with off-balance sheet risk to meet the financing needs of its customers. These contractual commitments consist of commitments to extend credit, commercial letters of credit and standby letters of credit and guarantees. Commitments to extend credit are agreements to lend to a customer as long as there is no violation of the conditions established in the contract. Commercial letters of credit ensure payment by the Bank to a third party for a customer's foreign or domestic trade transactions, generally to finance a commercial contract for the shipment of goods. Standby letters of credit and financial guarantees are conditional commitments issued by the Group to guarantee the performance of a customer to a third party. All of these arrangements are related to the normal lending activities of the Group. The Group's exposure to credit loss in the event of non-performance by the other party to the financial instrument for commitments to extend credit, commercial and standby letters of credit is represented by the contractual nominal amount of those instruments. The Group uses the same credit policies in making commitments and conditional obligations as it does for on-balance sheet instruments.

	Group		Bank	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Standby letters of credit and financial guarantees written	2,786	2,760	3,062	3,344
Commercial letters of credit	298	279	302	297
Total	**3,084**	**3,039**	**3,364**	**3,641**

In addition to the above, credit commitments also include commitments to extend credit which at 31 December 2019 are €6,419 million (31 December 2018: €6,350 million) and amount €5,753 million for the Bank (2018: €6,027 million). Commitments to extend credit at 31 December 2019 do not include any amounts, which cannot be cancelled without certain conditions being met at any time and without notice, or for which automatic cancellation due to credit deterioration of the borrower is not allowed.

d. Assets pledged

	Group		Bank	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Assets pledged as collateral	**3,689**	**5,138**	**3,635**	**5,138**

As at 31 December 2019, the Group and the Bank have pledged mainly for funding purposes with the ECB and financial institutions, the following instruments:

- trading and investment debt instruments of €826 million (2018: €1,638 million);
- loans and advances to customers amounting to €1,150 million (2018: €1,160 million); and
- covered bonds of a nominal value of €1,713 million backed with mortgage loans of total value of €2,555 million (2018: €2,200 million backed with mortgage loans of total value of €3,415 million)

In 2018, additionally were pledged securitized notes of a nominal value of €140 million backed with small business loans of €197 million.

In addition to the pledged items presented in the table above, as at 31 December 2019, the Group has pledged an amount of €317 million (2018: €319 million) included in due from banks with respect to a guarantee for the non-payment risk of the Hellenic Republic, as well as Hellenic Republic Treasury bills of €462 million (2018: €343 million) for trade finance purposes.

Moreover, in 2018 the Group and the Bank had received assets from third parties that could be sold or repledged, that are not recognized on the Statement of Financial Position, but there were held as collateral. The fair value of these assets that were used as collateral for funding purposes with ECB and financial institutions was €4.485 million, for the Group and the Bank.

e. Transferred financial assets

As at 31 December 2019 and 2018 the carrying amount of transferred financial assets, which have been transferred but are subject to continued recognition in full and the associated recognized liabilities are presented in the tables below.

	Group		Bank	
	Carrying amount of transferred assets	Carrying amount of associated liabilities	Carrying amount of transferred assets	Carrying amount of associated liabilities
	31.12.2019			
Amounts due to Eurosystem and Central Banks				
Trading and investment securities	301	297	247	226
Loans and advances to customers	1,150	885	1,150	885
Securities sold under agreements to repurchase				
Trading and investment securities	525	500	525	500
Other				
Trading and investment securities	462	27	462	27
Total	**2,438**	**1,709**	**2,384**	**1,638**

	Group		Bank	
	Carrying amount of transferred assets	Carrying amount of associated liabilities	Carrying amount of transferred assets	Carrying amount of associated liabilities
	31.12.2018			
Amounts due to Eurosystem and Central Banks				
Trading and investment securities	841	793	841	793
Loans and advances to customers	1,160	892	1,160	892
Securities sold under agreements to repurchase				
Trading and investment securities	797	692	797	692
Other				
Trading and investment securities	343	38	343	38
Total	**3,141**	**2,415**	**3,141**	**2,415**

Transactions whereby financial assets are transferred, but continue to be recognized in their entirety on the Group's Statement of Financial Position relate to Eurosystem funding under the general terms applying to such agreements, and securities sold under agreements to repurchase (see Note 2.16, Note 31 and Note 32), which, in general, are conducted under standard market agreements. With respect to Eurosystem funding, a haircut is generally applied to the collateral, which results in the associated liabilities having a carrying value less than the carrying value of the transferred assets. As a result of these transactions, the Group is unable to use, sell or pledge the transferred assets for the duration of the transaction. The Group remains exposed to interest rate risk and credit risk on these pledged instruments. The counterparty's recourse is not limited to the transferred assets.

The Group and the Bank have no transferred financial assets that are not subject to derecognition in full, but remain on the Statement of Financial Position to the extent of continuing involvement or were derecognised in full, but continuing involvement exists.

NOTE 36: Share capital, share premium and treasury shares

Share Capital – Ordinary Shares

The total number of ordinary shares as at 31 December 2019 and 31 December 2018 was 914,715,153, with a nominal value of 3.00 Euro per share.

On 26 July 2018, the Annual General Meeting approved (i) the increase of the share capital by €0.90, due to capitalization of an equal part of the Bank's special reserve of Article 4.4a of Codified Law 2190/1920, and (ii) the increase of the nominal value of each ordinary share of the Bank from €0.30 to €3.00 and the reduction of the number of the Bank's existing shares from 9,147,151,527 to 914,715,153 new ordinary shares by means of a reverse split at a rate of ten (10) old ordinary shares of the Bank to one (1) new ordinary share of the Bank. On 3 September 2018, the new shares started trading in the Athens Exchange.

Treasury shares

Treasury shares transactions are conducted by the Group subsidiary, NBG Securities S.A. and are summarized as follows:

	Group	
	No of shares	€ million
At 1 January 2018	**503,772**	-
Purchases	55,802,511	20
Sales	(55,932,483)	(20)
At 31 December 2018	**373,800**	**-**
Purchases	12,851,604	25
Sales	(12,925,281)	(24)
At 31 December 2019	**300,123**	**1**

NOTE 37: Tax effects relating to other comprehensive income / (expense) for the period

Group	12 month period ended 31.12.2019			12 month period ended 31.12.2018		
	Gross	Tax	Net	Gross	Tax	Net
Items that may be reclassified subsequently to profit or loss:						
Unrealised gains / (losses) on investments in available-for-sale for the period	347	(75)	272	(35)	5	(30)
Reclassification adjustments on investments in available-for-sale included in the income statement	(87)	18	(69)	(3)	1	(2)
Unrealised gains / (losses) on investments in debt instruments measured at FVTOCI	425	-	425	10	1	11
(Gains) / losses on investments in debt instruments measured at FVTOCI reclassified to profit or loss on disposal	(110)	-	(110)	(57)	(22)	(79)
Impairment loss recognized on investments in debt instruments classified at FVTOCI	-	-	-	7	(1)	6
Gain reclassified to income statement on disposal of NBG Albania	-	-	-	(1)	-	(1)
Investments in debt instruments	**575**	**(57)**	**518**	**(79)**	**(16)**	**(95)**
Currency translation differences	11	-	11	(7)	-	(7)
Loss reclassified to income statement on disposal of Romaneasca	47	-	47	-	-	-
Gain reclassified to income statement on disposal of NBG Albania	-	-	-	(3)	-	(3)
Loss reclassified to income statement on disposal of SABA	-	-	-	9	-	9
Currency translation differences	**58**	**-**	**58**	**(1)**	**-**	**(1)**
Cash flow hedge	(24)	-	(24)	-	-	-
Cash flow hedge	**(24)**	**-**	**(24)**	**-**	**-**	**-**
Loss reclassified to income statement on disposal of Romaneasca	8	-	8	-	-	-
Net investment hedge	**8**	**-**	**8**	**-**	**-**	**-**
Total of items that may be reclassified subsequently to profit or loss	**617**	**(57)**	**560**	**(80)**	**(16)**	**(96)**
Items that will not be reclassified subsequently to profit or loss:						
Gains / (losses) on investments in equity instruments measured at FVTOCI	15	-	15	(17)	-	(17)
(Gains)/losses on investments in equity instruments designated as at FVTOCI transferred to retained earnings upon disposal	(2)	-	(2)	-	-	-
Remeasurement of the net defined benefit liability / asset	(30)	1	(29)	4	(1)	3
Total of items that will not be reclassified subsequently to profit or loss	**(17)**	**1**	**(16)**	**(13)**	**(1)**	**(14)**
Other comprehensive income / (expense) for the period	**600**	**(56)**	**544**	**(93)**	**(17)**	**(110)**

Bank	12month period ended 31.12.2019			12month period ended 31.12.2018		
	Gross	Tax	Net	Gross	Tax	Net
Items that may be reclassified subsequently to profit or loss:						
Unrealised gains / (losses) on investments in debt instruments measured at FVTOCI	425	-	425	11	-	11
Gains / (losses) on investments in debt instruments measured at FVTOCI reclassified to profit or loss on disposal	(110)	-	(110)	(57)	(21)	(78)
Impairment loss recognized on investments in debt instruments classified at FVTOCI	(1)	-	(1)	4	-	4
Investments in debt instruments	**314**	**-**	**314**	**(42)**	**(21)**	**(63)**
Currency translation differences	**7**	**-**	**7**	**-**	**-**	**-**
Cash flow hedge	**(24)**	**-**	**(24)**	**-**	**-**	**-**
Total of items that may be reclassified subsequently to profit or loss	**297**	**-**	**297**	**(42)**	**(21)**	**(63)**
Items that will not be reclassified subsequently to profit or loss:						
Gains / (losses) on investments in equity instruments measured at FVTOCI	13	-	13	(18)	-	(18)
Gain/(loss) on investments in equity instruments designated as at FVTOCI transferred to retained earnings upon disposal	(2)	-	(2)	-	-	-
Remeasurement of the net defined benefit liability / asset	(25)	-	(25)	3	-	3
Total of items that will not be reclassified subsequently to profit or loss	**(14)**	**-**	**(14)**	**(15)**	**-**	**(15)**
Other comprehensive income / (expense) for the period	**283**	**-**	**283**	**(57)**	**(21)**	**(78)**

NOTE 38: Reserves & retained earnings

	Group		Bank	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Statutory reserve	308	331	297	297
Investments in debt and equity instruments reserve	378	53	377	51
Defined benefit obligations	(184)	(158)	(183)	(158)
Currency translation differences reserve	121	113	(49)	(56)
Other reserves and retained losses	(12,156)	(11,909)	(12,116)	(12,103)
Total	**(11,533)**	**(11,570)**	**(11,674)**	**(11,969)**

The movement on the investment in debt and equity instruments reserve is as follows:

	Group		Bank	
	2019	2018	2019	2018
At 1 January	**53**	**96**	**51**	**92**
Impact from IFRS 9	-	41	-	41
Reclassified as held for sale	-	(3)	-	-
Net gains / (losses) on investments in debt instruments measured at FVOCI	425	10	425	10
Net (gains) / losses on investments in debt instruments measured at FVOCI reclassified to profit or loss on disposal	(110)	(78)	(109)	(78)
Impairment loss recognized on investments in debt instruments classified as at FVTOCI	(1)	5	(1)	4
Net gains / (losses) in equity instruments designated at FV measured at FVTOCI	13	(18)	13	(18)
Reclassification to retained earnings due to disposal of equity secs measured at FVTOCI	(2)	-	(2)	-
At 31 December	**378**	**53**	**377**	**51**

NOTE 39: Non controlling interests

	Group	
	2019	2018
At 1 January	**676**	**683**
(Acquisitions) /disposals	(661)	-
Dividend distribution	(15)	(41)
Share of net profit of subsidiaries	18	34
At 31 December	**18**	**676**

In 2019, (Acquisition)/disposals line relates mainly to the disposal of NBG Pangaea REIC in May 2019 of €677 million, to the disposal of Romaneasca of €1 million and to the acquisition of a new subsidiary from Pangaea REIC of €18 million.

Dividends relate to NBG Pangaea REIC (2019: €15 million, 2018: €38 million).

NOTE 40: Dividends

Greek Law 4548/2018 active from 1 January 2019, on Greek companies imposes restrictions regarding the dividend distribution. Specifically, the laws states that no distribution to the shareholders can take place, if, on the day on which the last financial year ends, the total shareholders' equity, is or, following this distribution, will be, lower than the amount of the share capital increased by the reserves the distribution of which is forbidden by law or the Articles of Association, credit balances in equity (i.e. OCI) the distribution of which is not allowed and any unrealised gains of the year. Such share capital amount is reduced by the amount for which payment has not yet been called.

In addition, the law states that any distributable amount shall not exceed the profit of the last financial year on an unconsolidated basis net of tax, plus retained earnings and reserves the distribution of which is allowed and has been approved by the General Meeting, less any unrealised gains of the year, any losses carried forward and any amounts required by law or its Articles of Association to be allocated towards the formation of reserves.

Due to the above restrictions there were no distributable funds available by the end of 2018, therefore the Annual General Meeting of the Bank's shareholders held on 31 July 2019 took no decision on dividend distribution.

For the same reason the Bank's Board of Directors will not propose any distribution of dividend to the Bank's Annual Shareholders General Meeting of 2020.

Furthermore, pursuant to the Hellenic Financial Stability Fund ("HFSF") Law, and in line with the provisions of the Amended Relationship Framework Agreement with the HFSF, the HFSF's representative who sits on the Board of Directors has the veto right over decisions regarding the distribution of dividends.

NOTE 41: Cash and cash equivalents

	Group		Bank	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Cash and balances with central banks	3,414	4,765	3,308	4,585
Due from banks	627	1,318	419	925
Trading securities	20	20	20	20
Investment securities	87	350	7	236
Total	**4,148**	**6,453**	**3,754**	**5,766**

Cash and balances with central banks, Due from banks, and Trading Securities of the Group include €20 million, €152 million, and €10 million, respectively, relating to subsidiaries classified as Held for Sale. Cash and balances with central banks, Due from banks and Trading Securities of the Bank include €7 million, €44 million and €10 million, respectively, relating to operations classified as Held for Sale.

NOTE 42: Related party transactions

The nature of the significant transactions entered into by the Group with related parties during the 12-month period ended 31 December 2019 and 31 December 2018 and the significant balances outstanding as at 31 December 2019 and 31 December 2018 are presented below.

a. Transactions with members of the Board of Directors and management

The Group and the Bank entered into transactions with the members of the Board of Directors, the General Managers and the members of the Executive Committees of the Bank, the key management of other Group companies, as well as with the close members of family and entities controlled or jointly controlled by those persons.

All loans granted to related parties (i) were made in the ordinary course of business, (ii) were made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other persons, and (iii) did not involve more than the normal risk of collectability or present other unfavourable features.

The list of the members of the Board of Directors of the Bank is presented under Note 1.

As at 31 December 2019, loans and advances to customers, deposits/liabilities and letters of guarantee, at Group level, amounted to €4 million, €4 million and NIL respectively (31 December 2018: €4 million, €8 million and NIL respectively), whereas the corresponding figures at Bank level amounted to €4 million, €3 million and NIL respectively (31 December 2018: €4 million, €5 million and NIL respectively).

Total compensation to related parties for the period ended 31 December 2019, amounted to €8 million (31 December 2018: €10 million) for the Group and to €6 million (31 December 2018: €7 million) for the Bank, mainly relating to short-term benefits and in particular salaries and social security contributions.

b. Transactions with subsidiaries, associates and joint ventures

Transactions and balances between the Bank, its subsidiaries, associates and joint ventures are set out in the table below. At a Group level, only transactions and balances with associates and joint ventures are included, as transactions and balances with subsidiaries are eliminated on consolidation.

	Group	
	31.12.2019	31.12.2018
Assets	12	17
Liabilities	12	11
Letters of guarantee, contingent liabilities and other off balance sheet accounts	1	1
	12 month period ended	
	31.12.2019	31.12.2018
Interest, commission and other income	1	-
Interest, commission and other expense	4	4

	Bank					
	31.12.2019			31.12.2018		
	Subsidiaries	Associates & Joint Ventures	Total	Subsidiaries	Associates & Joint Ventures	Total
Assets	1,059	12	1,071	1,660	17	1,677
Liabilities	1,260	12	1,272	1,484	11	1,495
Letters of guarantee, contingent liabilities and other off balance sheet accounts	770	1	771	2,707	1	2,708
	12 month period ended 31.12.2019			12 month period ended 31.12.2018		
Interest, commission and other income	58	-	58	66	-	66
Interest, commission and other expense	44	4	48	85	4	89

c. Transactions with other related parties

The total receivables of both, the Group and the Bank, from the employee benefits related funds as at 31 December 2019 amounted to €747 million (31 December 2018: €747 million). For these receivables the Group and the Bank recognized a provision of €741 million (31 December 2018: €742 million).

The total payables of the Group and the Bank to the employee benefits related funds as at 31 December 2019, amounted to €99 million and €29 million respectively (31 December 2018: €135 million and €49 million respectively).

d. Transactions with Hellenic Financial Stability Fund

Taking into consideration the HFSF Law, the Relationship Framework Agreement ("RFA") between the Bank and the HFSF that was signed in December 2015, the fact that HFSF holds 40.39% of the Bank's ordinary shares, of which 38.92% with full voting rights and that HFSF has representation in the Bank's Board of Directors and other Board Committees of the Bank, HFSF is considered a related party of the Group. Other than the ordinary shares issued by the Bank and held by HFSF, no material transactions or balances exist with HFSF.

NOTE 43: Acquisitions, disposals and other capital transactions

Sale of Grand Hotel Summer Palace S.A.

On 5 April 2019, the Bank disposed of its 100% stake in Grand Hotel to Mitsis Company S.A. ("the Buyer"). The consideration less costs to sell was €50 million.

	Period ended 31 December 2019
Assets	
Due from banks	2
Property and equipment	13
Deferred tax assets	5
Total assets	**20**
Net assets disposed of	**20**

Gain on disposal of Grand Hotel

	Period ended 31 December 2019
Consideration received less costs to sell	50
Net assets disposed of	(20)
Gain on disposal	**30**

Net cash inflow on disposal of Grand Hotel

	Period ended 31 December 2019
Consideration received less costs to sell	50
Less: Cash and cash equivalent balances disposed of	(2)
Net cash inflow	**48**

The gain on disposal of €30 million at Group level and €44 million at Bank level is included in the net other income / (expense) line of the Income Statement (see Note 29).

Sale of NBG Pangaea REIC

On 23 May 2019, the Bank disposed of its 32.66% stake in NBG Pangaea REIC to Invel Real Estate B.V. and CL Hermes Opportunities L.P. ("the Buyers"). The consideration less costs to sell was €390 million.

	Period ended 31 December 2019
Assets	
Due from banks	119
Investment properties	904
Equity method investments	6
Goodwill, software and other intangible assets	15
Property and equipment	719
Other assets	71
Total assets	**1,834**
Liabilities	
Debt securities in issue	447
Other borrowed funds	291
Deferred tax liabilities	19
Current income taxes	5
Other liabilities	65
Total liabilities	**827**
Net assets disposed of	**1,007**

Gain on disposal of NBG Pangaea REIC

	Period ended 31 December 2019
Consideration received less costs to sell	390
Net assets disposed of	(1,007)
Non-controlling interests	677
Gain on disposal	**60**

The gain on disposal of €60 million at Group level and €132 million at Bank level is included in the profit / (loss) for the period from discontinued operations (see Note 29).

Net cash inflow on disposal of NBG Pangaea REIC

	Period ended 31 December 2019
Consideration received less costs to sell	390
Less: Cash and cash equivalent balances disposed of	(119)
Net cash inflow	**271**

Sale of Banca Romaneasca

On 20 June 2019 a Share Sale Purchase Agreement (the "SPA") was signed between NBG and Banca de Export-Import a Romaniei EximBank S.A. (the "EximBank"), for 371,624,509 shares comprising 99.28% of the issued share capital of Banca Romaneasca ("the Company"). On 30 December 2019, the Unconditional Date, the Bank lost control of the Company and proceeded with derecognition of its assets and liabilities due to the fact that at that date all conditions agreed between NBG and EximBank were fulfilled. The consideration less costs to sell amounted to €55 million and was settled on 23 January 2020.

	Period ended 31 December 2019
Assets	
Cash and balances with central banks	52
Due from other banks	357
Loans and advances to customers	816
Investment securities	138
Other assets	11
Total assets	**1,374**
Liabilities	
Due to other banks	133
Derivative financial instruments	1
Due to customers	1,037
Debt securities in issue	65
Retirement benefit obligations	1
Other liabilities	78
Total liabilities	**1,315**
Net Assets derecognized	**59**

Loss on derecognition of Banca Romaneasca

	Period ended 31 December 2019
Consideration to be received less costs to sell*	55
Net Assets derecognized	(59)
Non-controlling interests	1
Cumulative exchange loss in respect of the net assets of Banca Romaneasca reclassified from equity to profit or loss	(47)
Cumulative loss of hedging of net investment in Banca Romaneasca reclassified from equity to profit or loss	(8)
Loss on derecognition	**(58)**

The loss on derecognition €58 million at Group level and €3 million at Bank level is included in the profit / (loss) for the period from discontinued operations (see Note 29).

Net cash outflow on disposal of Banca Romaneasca

	Period ended 31 December 2019
Cash and cash equivalent balances disposed of	(330)
Net cash outflow*	**(330)**

**The consideration received on 23 January 2020*

Sale of Banka NBG Albania Sh.A.

On 3 July 2018, the Bank disposed of its 100% stake in Banka NBG Albania Sh.A. ("NBG Albania") to American Bank of Investments S.A. ("ABI"). The consideration less costs to sell was €23 million.

	Period ended 31 December 2018
Assets	
Cash and balances with central banks	11
Due from other banks	70
Loans and advances to customers	150
Investment securities	47
Other assets	9
Total assets	**287**
Liabilities	
Due to customers	233
Other liabilities	33
Total liabilities	**266**
Net Assets disposed of	**21**

Gain on disposal of NBG Albania

	Period ended 31 December 2018
Consideration received less costs to sell	23
Net Assets disposed of	(21)
Cumulative exchange gain in respect of the net assets of NBG Albania reclassified from equity to profit or loss	3
Cumulative gain on investment securities at FV through OCI reclassified from equity to profit or loss	1
Gain on disposal	**6**

The gain on disposal of €6 million is included in the profit / (loss) for the period from discontinued operations (see Note 29).

Net cash inflow on disposal of NBG Albania

	Period ended 31 December 2018
Consideration received less costs to sell	23
Less: Cash and cash equivalent balances disposed of	(17)
Net cash inflow	**6**

Sale of South African Bank of Athens Ltd

On 4 October 2018, the Group disposed of its 99.83% stake in South African Bank of Athens Ltd ("SABA") to AFGRI Holdings Proprietary Limited ("AFGRI"). The consideration less costs to sell was €16 million.

	Period ended 31 December 2018
Assets	
Due from other banks	50
Loans and advances to customers	110
Investment securities	7
Other assets	7
Total assets	**174**
Liabilities	
Due to other banks	22
Due to customers	128
Debt securities in issue	3
Other liabilities	5
Total liabilities	**158**
Net Assets disposed of	**16**

Loss on disposal of SABA

	Period ended 31 December 2018
Consideration received less costs to sell	16
Net Assets disposed of	(16)
Cumulative exchange loss in respect of the net assets of SABA reclassified from equity to profit or loss	(9)
Loss on disposal	**(9)**

The loss on disposal of €9 million is included in the Profit / (loss) for the period from discontinued operations (see Note 29).

Net cash outflow on disposal of SABA

	Period ended 31 December 2018
Consideration received less costs to sell	16
Less: Cash and cash equivalent balances disposed of	(50)
Net cash outflow	**(34)**

Other transactions

On 18 October 2019, Sinepia securitization transaction was unwound (see Note 21).

On 26 June 2018, NBG Pangaea REIC acquired in Cyprus the 100% of the share capital of the company LASMANE PROPERTIES LTD for a total consideration of €11 million.

On 9 May 2018, NBG Pangaea REIC established in United Kingdom the company Pangaea UK Finco Plc, a wholly owned subsidiary. The capital contributed amounted to €14 thousand. The company was dissolved on 14 January 2019.

On 30 October 2018 NBG Pangaea REIC acquired in Greece the 100% of the share capital of the company ANAPTYXI FRAGOKLISSIA AKINITON S.A. for a total consideration of €6 million.

On 19 December 2018 NBG Pangaea REIC acquired in Greece the 100% of the share capital of the company IRINA KTIMATIKI S.A. for a total consideration of €4 million.

On 28 December 2018 NBG Pangaea REIC acquired in Bulgaria the 100% of the share capital of the company I&B REAL ESTATE EAD for a total consideration of €41 million. The sole asset of the company is a property located in Sofia, Bulgaria.

On 19 January 2017, the Boards of Directors of the Bank, NBG Training Center S.A. and Bancassurance (wholly owned subsidiaries of the Bank), agreed the merger of the three companies through absorption of the two latter by the Bank. The merger date was agreed to be 31 January 2017 and accounted for at carrying values. On 27 June 2017 the Boards of Directors of the companies approved the Draft Merger Agreement. On 16 May 2018 the merger between the Bank and the two subsidiaries was approved by the Ministry of Development.

The movement of the Bank's investments in subsidiaries is presented below:

	Bank	
	2019	2018
Balance at the beginning of the period	**1,467**	**1,443**
Acquisition of additional interest/ share capital increase in existing subsidiaries	151	146
Contribution to new established subsidiary	-	70
Disposals	(258)	-
Impairment charge	(191)	(132)
Non-current assets held for sale	(30)	(60)
Balance at the end of the period	**1,139**	**1,467**

Disposals in 2019, relate to the completion of the disposal of NBG Pangaea REIC in May 2019.

The impairment charge recognized in 2019 relates mainly, to the cost of investment in Ethniki Leasing S.A. of €147 million, in CAC Coral Limited of €40 million, in Hellenic Touristic Constructions S.A. of €3 million and in Mortgage, Touristic Protypos S.A. of €1 million.

The impairment charge recognized in 2018 relates mainly, to the cost of investment in Ethniki Leasing S.A. of €42 million and in NBG Management Services Ltd of €90 million.

Non-current assets held for sale in 2019 include the acquisition cost of CAC Coral Limited (see Note 29).

Non-current assets held for sale in 2018 include the acquisition cost of National Bank of Greece (Cyprus) Ltd and Grand Hotel Summer Palace S.A.

The acquisition of additional interest / share capital increase in existing subsidiaries includes the following:

	Bank	
	2019	2018
Share capital increase in Ethiniki Leasing S.A.	150	45
Share capital increase in NBG Management Services Ltd	-	95
Share capital increase in Mortgage, Touristic PROTYPOS S.A.	-	1
Share capital increase in Ektenepol Construction Company S.A.	1	-
Share Capital Increase in Ethniki Ktimatikis Ekmetalefsis S.A.	-	5
Total	**151**	**146**

NOTE 44: Group companies

Subsidiaries	Country	Tax years unaudited	Group 31.12.2019	Group 31.12.2018	Bank 31.12.2019	Bank 31.12.2018
National Securities S.A.	Greece	2014-2019	100.00%	100.00%	100.00%	100.00%
NBG Asset Management Mutual Funds S.A.	Greece	2010-2019	100.00%	100.00%	100.00%	100.00%
Ethniki Leasing S.A.	Greece	2010-2019	100.00%	100.00%	100.00%	100.00%
NBG Property Services S.A.	Greece	2010-2019	100.00%	100.00%	100.00%	100.00%
Pronomiouhos S.A. Genikon Apothikon Hellados	Greece	2010-2019	100.00%	100.00%	100.00%	100.00%
Innovative Ventures S.A. (I-Ven)(4)	Greece	-	-	100.00%	-	-
Ethniki Hellenic General Insurance S.A. (2)	Greece	2014-2019	100.00%	100.00%	100.00%	100.00%
Grand Hotel Summer Palace S.A.(5)	Greece	-	-	100.00%	-	100.00%
KADMOS S.A.	Greece	2010-2019	100.00%	100.00%	100.00%	100.00%
DIONYSOS S.A.	Greece	2010-2019	99.91%	99.91%	99.91%	99.91%
EKTENEPOL Construction Company S.A.	Greece	2010-2019	100.00%	100.00%	100.00%	100.00%
Mortgage, Touristic PROTYPOS S.A.	Greece	2010-2019	100.00%	100.00%	100.00%	100.00%
Hellenic Touristic Constructions S.A.	Greece	2010-2019	78.09%	78.04%	78.09%	78.04%
Ethniki Ktimatikis Ekmetalefsis S.A.	Greece	2010-2019	100.00%	100.00%	100.00%	100.00%
Ethniki Factors S.A.	Greece	2010-2019	100.00%	100.00%	100.00%	100.00%
NBG Pangaea REIC(6)	Greece	-	-	32.66%	-	32.66%
Karolou S.A.(6)	Greece	-	-	32.66%	-	-
Probank M.F.M.C (1)	Greece	2014-2019	100.00%	100.00%	95.00%	95.00%
I-Bank Direct S.A.	Greece	2010-2019	100.00%	100.00%	99.90%	99.90%
Probank Leasing S.A.	Greece	2010-2019	99.87%	99.87%	99.87%	99.87%
NBG Insurance Brokers S.A.	Greece	2010-2019	100.00%	100.00%	99.90%	99.90%
Anaptixi Fragokklisia Real Estate S.A.(6)	Greece	-	-	32.66%	-	-
Irinna Ktimatiki S.A.(6)	Greece	-	-	32.66%	-	-
NBG Malta Holdings Ltd	Malta	2006-2019	100.00%	100.00%	-	-
NBG Bank Malta Ltd	Malta	2005-2019	100.00%	100.00%	-	-
ARC Management Two EAD (Special Purpose Entity)	Bulgaria	2014-2019	100.00%	100.00%	-	-
Bankteco E.O.O.D.	Bulgaria	2016-2019	100.00%	100.00%	100.00%	100.00%
PNG Properties E.A.D.(6)	Bulgaria	-	-	32.66%	-	-
I&B Real Estate(6)	Bulgaria	-	-	32.66%	-	-
Banca Romaneasca S.A.(7)	Romania	-	-	99.28%	-	99.28%
NBG Leasing IFN S.A.	Romania	2014-2019	100.00%	100.00%	100.00%	100.00%
S.C. Garanta Asigurari S.A.(2)	Romania	2003-2019	94.96%	94.96%	-	-
ARC Management One SRL (Special Purpose Entity)	Romania	2013-2019	100.00%	100.00%	-	-
Egnatia Properties S.A.(6)	Romania	-	-	32.66%	-	-
Stopanska Banka A.D.-Skopje	North Macedonia	2014-2019	94.64%	94.64%	94.64%	94.64%
NBG Greek Fund Ltd	Cyprus	2014-2019	100.00%	100.00%	100.00%	100.00%
National Bank of Greece (Cyprus) Ltd(2)	Cyprus	2006 & 2008-2019	100.00%	100.00%	100.00%	100.00%
National Securities Co (Cyprus) Ltd (1)	Cyprus	-	100.00%	100.00%	-	-
NBG Management Services Ltd	Cyprus	2014-2019	100.00%	100.00%	100.00%	100.00%
Ethniki Insurance (Cyprus) Ltd(2)	Cyprus	2004-2019	100.00%	100.00%	-	-
Ethniki General Insurance (Cyprus) Ltd(2)	Cyprus	2004-2019	100.00%	100.00%	-	-
National Insurance Agents & Consultants Ltd(2)	Cyprus	2008-2019	100.00%	100.00%	-	-
Quadratix Ltd(6)	Cyprus	-	-	32.66%	-	-
Lasmane Properties Ltd(6)	Cyprus	-	-	32.66%	-	-
CAC Coral Limited(2)	Cyprus	2019	100.00%	100.00%	100.00%	100.00%
Aphrodite Hills Resort Limited (6)	Cyprus	-	-	-	-	-
Aphrodite Springs Public Limited (6)	Cyprus	-	-	-	-	-
Vibrana Holdings Ltd(6)	Cyprus	-	-	-	-	-
NBG Asset Management Luxemburg S.A.	Luxembourg	2018-2019	100.00%	100.00%	94.67%	94.67%
NBG International Ltd	U.K.	2003-2019	100.00%	100.00%	100.00%	100.00%
NBGI Private Equity Ltd(1)	U.K.	2003-2019	100.00%	100.00%	-	-
NBG Finance Plc	U.K.	2003-2019	100.00%	100.00%	100.00%	100.00%
NBG Finance (Dollar) Plc(1)	U.K.	2008-2019	100.00%	100.00%	100.00%	100.00%
NBG Finance (Sterling) Plc(1)	U.K.	2008-2019	100.00%	100.00%	100.00%	100.00%
Titlos Plc (Special Purpose Entity)(8)	U.K.	-	-	-	-	-
Pangaea UK Finco Plc(3)	U.K.	-	-	32.66%	-	-
SINEPIA Designated Activity Company (Special Purpose Entity)(1)	Ireland	2019	-	-	-	-
NBG International Holdings B.V.	The Netherlands	2019	100.00%	100.00%	100.00%	100.00%
Nash S.r.L. (6)	Italy	-	-	32.66%	-	-
Fondo Picasso(6)	Italy	-	-	32.66%	-	-

Notes:

(1) Companies under liquidation.

(2) Ethniki Hellenic General Insurance S.A. and its subsidiaries, National of Bank Greece (Cyprus) Ltd ,NBG Cairo Branch and CAC Coral Limited, have been reclassified as Non-current assets held for sale (See Note 29).

(3) Pangaea UK Finco Plc was incorporated in May 2018 and was dissolved on 8 January 2019.

(4) Innovative Ventures S.A. (I-Ven) was liquidated on 7 May 2019.

(5) The disposal of Grand Hotel Summer Palace S.A. was completed on 5 April 2019.

(6) The disposal of NBG Pangaea REIC Group was completed on 23 May 2019.

(7) On 30 December 2019 the Bank lost control of Romaneasca and proceeded with the derecognition of its assets and liabilities, where the consideration amount was settled on 23 January 2020 (see Note 43..

(8) Titlos Plc (Special Purpose Entity) liquidation was completed on 13 December 2019.

The table below provides details of the significant subsidiaries of the Group:

Name of subsidiary	Principal Activity	Voting power held by the Group	
		31.12.2019	31.12.2018
National Securities S.A.	Brokerage services	100.00%	100.00%
Ethniki Leasing S.A.	Leasing	100.00%	100.00%
Ethniki Factors	Factoring services	100.00%	100.00%
Ethniki Hellenic General Insurance S.A.	Insurance services	100.00%	100.00%
NBG Pangaea REIC	Real Estate Investment	-	32.66%
National Bank of Greece (Cyprus) Ltd.	Credit Institution	100.00%	100.00%
Stopanska Banka A.D. – Skopje	Credit Institution	94.64%	94.64%
Banca Romaneasca S.A.	Credit Institution	-	99.28%
NBG Bank Malta Ltd	Credit Institution	100.00%	100.00%

The table below provides details of non-wholly –owned subsidiaries of the Group that have material non-controlling interests:

Name of subsidiary	Place of incorporation and operation	Proportion of ownership interest and voting rights held by non-controlling interests		Total comprehensive income allocated to non-controlling interests		Accumulated non-controlling interests	
		31.12.2019	31.12.2018	31.12.2019	31.12.2018	31.12.2019	31.12.2018
NBG Pangaea REIC	Greece	-	67.34%	16	32	-	658
Individually immaterial subsidiaries with non-controlling interests	-	-	-	2	2	18	18
Total				**18**	**34**	**18**	**676**

Pangaea REIC was a subsidiary of the NBG Group although the Group owned a 32.66% ownership interest. Based on the contractual arrangements between the Group and the majority shareholder, the Group had the power to appoint and remove the majority of the members of board of directors and of the investment committee of Pangaea REIC, which had the power to direct the relevant activities of Pangaea REIC. Therefore, the management of NBG concluded that the Group had the practical ability to direct the relevant activities of Pangaea REIC unilaterally and hence the group had control over Pangaea REIC. On 4 January 2019 the shareholder agreement between NBG and the majority shareholder of Pangaea was extended by three months, i.e. from 31 December 2018 to 31 March 2019.

NBG Pangaea REIC disposal was completed on May 2019. Please see Note 43.

NOTE 45: Independent auditor's fees

On 31 July 2019, the Annual General Meeting of the Shareholders appointed PricewaterhouseCoopers S.A. as the principal independent public accountant for the year ended 31 December 2019. The following table presents the aggregate fees for professional audit services, audit-related and other services rendered for the years ended 31 December 2019 and 31 December 2018 by the Group's principal accounting firm PwC, which is a member firm of PwC Network, other member firms of the Network and their respective affiliates (collectively, "PwC").

	Group		Bank	
	2019	2018	2019	2018
Audit fees	3	4	2	2
Audit-related fees	1	1	-	-
All other fees	1	1	1	1
Total	**5**	**6**	**3**	**3**

It is noted that the fees of the statutory auditor "PricewaterhouseCoopers, Greece" for non-audit services in 2019 amounted to €1 million for the Group and the Bank.

NOTE 46: Restructuring Plan

The Group is subject to European Commission rules on European Union ("EU") State aid in light of the aid received from the Hellenic Financial Stability Fund ("HFSF") and the Hellenic Republic. These rules are administered by the Directorate-General Competition ("DG Comp"). Under these rules, the Bank's operations are monitored and limited to the operations included in the 2019 Revised Restructuring Plan, which aims to ensure the Bank's return to long term viability. The 2019 Revised Restructuring Plan was approved on 10 May 2019, by the European Commission.

The 2019 Revised Restructuring Plan includes a number of commitments to implement certain measures and actions that have to be completed during the period 2019-2020 (the "2019 Revised Restructuring Plan Commitments"). The 2019 Revised Restructuring Plan Commitments relate both to domestic and foreign operations of the Group. Differentiations to the 2015 Restructuring Plan which expired on 31 December 2018 relate to the deepening of the Bank's operational restructuring, some amendments on the commitments and deadlines, as well as a commitment to sell the remaining stake (32.66%) in Pangaea in substitution for the commitment to dispose of Stopanska Banka A.D.-Skopje.

For domestic operations, the 2019 Revised Restructuring Plan Commitments relate to constraining operating expenses, including the number of personnel and branches. In particular, the Commitments include the following:

- A further reduction of the number of branches in Greece to 420 (at the end of 2019) and 390 (at the end of 2020). As at 31 December 2019, the Bank had reduced its branches to 390.
- A further reduction of the number of employees in Greece to 8,600 as at 31 December 2019 and 8,000 as at 31 December 2020. As at 31 December 2019, the Bank had reduced the number of employees at domestic level to 8,468 (excluding NIC).
- A further reduction of total operating costs in Greece to €845 million as at 31 December 2019 and €800 million as at 31 December 2020. As at 31 December 2019 such costs amounted to €822 million (excluding NIC and LEPETE contributions).
- Divestment of domestic non banking activities: The Bank will divest from certain domestic non banking activities. Under the 2019 Revised Restructuring Plan, the Bank must dispose at least 80% of NIC. See Note 29 for a description of the status of this Commitment. Furthermore, in line with the 2019 Revised Restructuring Plan, in May 2019 the Bank completed the sale of its remaining stake in Pangaea (see Note 43).
- Divestment from international operations: The Bank reduced its international activities, by disposing of certain subsidiaries in the years 2016 – 2018. On 23 January 2020, the Bank completed the sale of 99.28% of Romaneasca to EximBank (see Note 43).

  The incomplete divestments relate to the branch network in Egypt and NBG Cyprus Ltd, (see Note 29).

Lastly, the 2019 Revised Restructuring Plan provides for prolongation of the 2015 Restructuring Plan's Commitments on corporate governance, commercial operations, acquisitions and advertising.

The implementation of the 2019 Revised Restructuring Plan Commitments set out in the 2019 Revised Restructuring Plan is monitored by the Monitoring Trustee.

NOTE 47: Events after the reporting period

COVID 19 outbreak

The COVID 19 outbreak is a new emerging risk. The Group's priority is always the well-being of our customers and staff. Therefore, we have invoked our business continuity plans to help ensure the safety and well-being of our staff, as well as our capability to support our customers and maintain our business operations.

The COVID-19 outbreak, and most importantly, the rapid spread of the epidemic globally, is now expected to adversely affect economic activity worldwide, with the Greek economy facing significant challenges in view of the important role of services in economic activity and its relatively shallow production structure (high dependence on imports). The evolution of the disease and its economic impact remains highly uncertain. Against this backdrop of ongoing downward revisions of growth forecasts for the global economy and the euro area, in conjunction with Greece's high dependency on inbound tourism, Greek GDP growth is expected to substantially deviate from the official scenario in 2020. For accounting purposes, COVID 19 outbreak is considered as a non –adjusting event.

Depending on how the situation develops and the duration of the disruption, there is the potential for any associated economic slowdown to impact our expected credit losses. It is also possible that we may see revenue reductions from lower lending and transaction volumes, which may impact our RWA and capital position.

While our economic scenarios used to calculate ECL capture a range of outcomes, the potential economic impact of the COVID 19 was not considered at the year – end due to the limited information and emergent nature of the outbreak in Greece which occurred in February 2020.

The ECL at 31 December 2019 was estimated based on a range of forecast economic conditions as at that date. The impact on GDP and other key indicators will be considered when determining the severity and likelihood of downside economic scenarios that will be used to estimate ECL under IFRS 9 in 2020, upon assessment of the duration of the disruption caused by the virus.

The COVID-19 outbreak and uncertainties surrounding the evolution of the disease and its economic impact remain highly uncertain, we continue to monitor the situation closely.

ECB Banking Supervision measures in reaction to COVID-19

a. Temporary capital and operational relief

On 12 March 2020, the ECB announced a number of measures to ensure that its directly supervised banks can continue to fulfil their role in funding the real economy as the economic effects of the COVID-19 become apparent.

In this context, the ECB will allow banks to operate temporarily below the level of capital defined by the Pillar 2 Guidance ("P2G"), the capital conservation buffer ("CCB") and the liquidity coverage ratio (LCR). The ECB considers that these temporary measures will be enhanced by the appropriate relaxation of the countercyclical capital buffer ("CcyB") by the national macroprudential authorities.

Banks will also be allowed to partially use capital instruments that do not qualify as CET1 capital, for example Additional Tier 1 or Tier 2 instruments, to meet the Pillar 2 Requirements ("P2R"). This brings forward a measure that was initially scheduled to come into effect in January 2021, as part of the latest revision of the Capital Requirements Directive ("CRD V").

In addition, the ECB is discussing with banks individual measures, such as adjusting timetables, processes and deadlines. For example, the ECB will consider rescheduling on-site inspections and extending deadlines for the implementation of remediation actions stemming from recent on-site inspections and internal model investigations, while ensuring the overall prudential soundness of the supervised banks. In this context, the ECB Guidance to banks on non-performing loans also provides supervisors with sufficient flexibility to adjust to bank-specific circumstances. Extending deadlines for certain non-critical supervisory measures and data requests will also be considered.

b. Liquidity support measures

i. ECB announces easing of conditions for targeted longer-term refinancing operations (TLTRO III)

On 12 March the ECB announced more favourable operations to support bank lending to those affected most by the spread of the coronavirus, in particular small and medium-sized enterprises. These measures include;

- Interest rate on TLTRO III reduced by 25 basis points and can be as low as 25 basis points below average deposit facility rate during period from June 2020 to June 2021 for all TLTRO III operations outstanding during that period.
- Borrowing allowance raised to 50% of eligible loans
- Bid limit per operation removed on all future operations
- Lending performance threshold reduced to 0%
- Early repayment option available after one year from settlement starting in September 2021
- Modification accompanied by series of longer-term refinancing operations (LTROs) designed to bridge liquidity needs until settlement of fourth TLTRO III operation in June 2020, starting from next week

ii. ECB announces measures to support bank liquidity conditions and money market activity

On 12 March the ECB has also decided on additional longer-term refinancing operations (LTROs) to provide immediate liquidity support to banks and to safeguard money market conditions. While there are no material signs of strains in money markets or of liquidity shortages in the banking system, these operations will provide an effective backstop if necessary.

iii. ECB announces €750 billion Pandemic Emergency Purchase Programme (PEPP)

On 18 March the ECB launched a new temporary asset purchase programme of private and public sector securities to counter the serious risks to the monetary policy transmission mechanism and the outlook for the euro area posed by the outbreak and escalating diffusion of the coronavirus, COVID-19. This new Pandemic Emergency Purchase Programme (PEPP) will have an overall envelope of €750 billion. Purchases will be conducted until the end of 2020 and will include all the asset categories eligible under the existing asset purchase programme (APP).

A waiver of the eligibility requirements for securities issued by the Greek government will be granted for purchases under PEPP. The ECB will terminate net asset purchases under PEPP once it judges that the coronavirus Covid-19 crisis phase is over, but in any case, not before the end of the year.

The ECB will also expand the range of eligible assets under the corporate sector purchase programme (CSPP) to non-financial commercial paper, making all commercial papers of sufficient credit quality eligible for purchase under CSPP.

As well as, ease the collateral standards by adjusting the main risk parameters of the collateral framework. In particular, it will expand the scope of Additional Credit Claims (ACC) to include claims related to the financing of the corporate sector. This will ensure that counterparties can continue to make full use of the Eurosystem's refinancing operations.

The ECB has stated its commitment to playing its role in supporting all citizens of the euro area through this extremely challenging time. To that end, the ECB will ensure that all sectors of the economy can benefit from supportive financing conditions that enable them to absorb this shock. This applies equally to families, firms, banks and governments.

The ECB has further stated that it will do everything necessary within its mandate including increasing the size of its asset purchase programmes and adjusting their composition, by as much as necessary and for as long as needed. It is further committed to explore all options and all contingencies to support the Eurozone economy through this shock.

The ECB stands ready to provide additional liquidity, if needed.

Supervisory flexibility regarding the treatment of NPLs

Furthermore, on 20 March 2020, the ECB announced that it supports all initiatives aimed at providing sustainable solutions to temporarily distressed debtors in the context of the current outbreak. To this end, the ECB has introduced supervisory flexibility regarding the treatment of NPLs, in particular to allow banks to fully benefit from guarantees and moratoriums put in place by public authorities to tackle the current distress.

First, within their remit and on a temporary basis supervisors, will exercise flexibility regarding the classification of debtors as "unlikely to pay" when banks call on public guarantees granted in the context of COVID-19. The supervisor will also exercise certain flexibilities regarding loans under COVID-19 related public moratoriums.

Second, loans which become non-performing and are under public guarantees will benefit from preferential prudential treatment in terms of supervisory expectations about loss provisioning. Lastly, supervisors will deploy full flexibility when discussing with banks the implementation of NPL reduction strategies, taking into account the extraordinary nature of current market conditions.

Council of Ministers of the European Union

On 12 March the Ministers of Finance of the Member States of the EU agreed with the assessment of the Commission, that the conditions for the use of the general escape clause of the EU fiscal framework – a severe economic downturn in the euro area or the Union as a whole – are fulfilled.

The use of the clause will ensure the needed flexibility to take all necessary measures for supporting our health and civil protection systems and to protect our economies, including through further discretionary stimulus and coordinated action, designed, as appropriate, to be timely, temporary and targeted, by Member States.

Ministers remain fully committed to the respect of the Stability and Growth Pact. The general escape clause will allow the Commission and the Council to undertake the necessary policy coordination measures within the framework of the Stability and Growth Pact, while departing from the budgetary requirements that would normally apply, in order to tackle the economic consequences of the pandemic.

Greek Government Relief Measures

The Greek government has announced measures to address the financial effects of COVID-19 and support the economy, through the legislative acts.

The Greek government announced the temporary suspension of payment of tax obligations and social insurance contributions, provision for direct financing or financing in the form of guarantees for businesses in the sectors that are severely affected by COVID-19.

Additionally, measures were also announced for the protection of labor relations for businesses that have suspended their operations as a result of COVID-19, including the prohibition of redundancies, as well as the provision of special purpose compensation amounting to EUR 800 for employees, self-employed and single person enterprises affected pandemic.

Similar initiatives have been taken by other countries and central banks where the Group operates.

European Banking Association

On 25 March 2020 the EBA stated it is of the view that the public and private moratoriam to the extent they are not borrower specific but rather addressed to broad ranges of product classes or customers, do not have to be automatically classified as forbearance measures as for IFRS9 and the definition of default.

Hellenic Bank Association

The Hellenic Bank Association announced in March 2020 that workers, freelancers and small business owners that have been directly affected by the COVID-19 crises as a result of the Government ordering the suspension of their business operations in order to fight the pandemic, will benefit, if the customer so desires, with a deferral of all loan payments for a short period of time . Furthermore, corporations likewise effected by the COVID crises measures will also benefit, if they so desire, with a short term deferral in the payment of capital.

Other events after the reporting period

Other events after the reporting period relate to the following:

- On 22 January 2020 the Bank announced that the Hellenic Republic and NBG had agreed on a Greek Government Bond exchange, involving three existing Greek Government Bonds held by NBG with a new Greek Government Bond. The terms of the existing and new Greek Government Bonds are as follows:

Existing Greek Government Bonds

ISIN	Maturity	Interest Rate	Settlement Amount in € million	Nominal Amount in € million
GR0112009718	20 March 2023	2.9%	250	271
GR0116007924	20 March 2025	3.25%	964	1,092
GR0118018663	20 March 2026	3.55%	2,100	2,440

New Greek Government Bond at issue price of 114.7114415026

ISIN	Maturity	Interest Rate	Nominal Amount in € million	Issue Date
GR0138016820	20 March 2050	3.25%	3,314	21 January 2020

The exchange was executed at market terms and was settled on 21 January 2020. The Bank realized a gain of €515 million (based on the accounting value of the existing Greek Government Bonds) resulting from the recent Greek sovereign spread compression. Through this exchange the Bank safeguards recurring interest income at a yield to maturity of 2.5%. The transaction enhances Bank's capital position, facilitating the frontloading of an ambitious NPE reduction plan.

- On 19 March 2020 NBG proceeded with an additional partial cancelation of €100 million of Series 9 (see Note 21).
- On 29 January 2020 a majority in the European Parliament ratified the withdrawal agreement of the UK from the EU. A transition period was established between 2 February to 31 December 2020. The Group has limited activities in the UK.

NOTE 48: Transition to IFRS 16 Leases as of 1 January 2019

The Group analysed the impact of IFRS 16 in a Group-wide project, including existing processes, controls, systems, data and contracts and established an IFRS 16 Implementation Program ("the IFRS 16 Program") to ensure a timely and high-quality implementation, in accordance with the requirements of IFRS 16. The IFRS 16 Program involved Finance, Real Estate Management, Procurement, Digital Channels, Global Markets and IT Divisions of the Bank and was overseen by a Project Steering Committee. The Committee comprised of the CFO (Chair), the Chief Information Officer and the General Managers of Real Estate Management and International Activities Divisions of the Bank. A full- time Project Management Office (PMO) was setup and a Project Manager assigned. The Group Audit Committee was updated by the Executive Management on the status of the IFRS 16 Program, as well as the accounting estimates and policies applied.

Impact upon transition to IFRS 16

The adoption of IFRS 16 on 1 January 2019 increased the assets, liabilities and retained earnings of the Group by €136 million, €132 million and €4 million respectively and the Bank by €1,142 million, €1,138 million and €4 million respectively. The reported impact on the Group's assets and liabilities includes an amount of €29 million attributable to entities classified as held for sale and discontinued operations, which has been recognized within line items 'non-current assets held for sale' and 'liabilities associated with non-current assets held for sale'. In relation to the impact on regulatory capital, the Group's and the Bank's CET1 ratio decreased by 5 bps and 56 bps respectively.

The table below presents a reconciliation of the operating lease commitments for the Group and the Bank, as of 31 December 2018 to the recognized lease liabilities as of 1 January 2019.

Reconciliation of Group and the Bank's lease liabilities

	Group	Bank
Operating lease commitments as of 31 December 2018	**196**	**1,573**
Relief option for short-term leases and low-value assets	(1)	(1)
Extension options reasonably certain to be exercised	13	285
Cost of insurance required by the lease	-	10
Consumer Price Index (CPI) adjustment	-	10
Gross lease liabilities as of 1 January 2019	**208**	**1,877**
Discounting	(105)	(747)
Lease liabilities as of 1 January 2019	**103**	**1,130**

The lease liabilities were discounted at the Group's and Bank's IBR as of 1 January 2019. The weighted average discount rates were 2.9% and 4.2% respectively.

Disclosures of Greek Law 4261/2014 Art.81

Disclosures of Greek Law 4261/2014 Art.81

Country-by-country reporting in accordance with article 81 of Greek Law 4261/2014 for the year ended 31 December 2019

	Turnover[1] *€ in million*	Profit before tax *€ in million*	Income tax *€ in million*	Employees number	Subsidies *€ in million*
Greece [2]	1,821	(329)	(38)	9,492	1
Malta	9	(2)	2	31	-
Bulgaria[2]	4	-	-	30	-
Romania [2]	(11)	145	-	1,191	-
North Macedonia	70	44	(5)	1,026	-
Cyprus [2]	36	(50)	1	560	-
Luxembourg	1	1	-	-	-
UK	17	7	(2)	28	-
The Netherlands	-	-	-	-	-
Italy [2]	4	2	-	-	-
Egypt [2]	(6)	(13)	-	247	-
Total	**1,945**	**(195)**	**(42)**	**12,605**	**1**

[1] Turnover: Includes a) net interest income, b) net fee and commission income, c) earned premia net of claims and commissions, d) net trading income / (loss) and results from investment securities, e) net other income / (expense) and f) share of profit / (loss) of equity method investments

[2] Including discontinued operations

Country-by-country reporting in accordance with article 81 of Greek Law 4261/2014 for the year ended 31 December 2019

Company	Country	Business activities
National Bank of Greece S.A. (Parent Company)	Greece	Banking institution
National Securities S.A.	Greece	Capital Markets & Investment Services
NBG Asset Management Mutual Funds S.A.	Greece	Mutual Fund Management
Ethniki Leasing S.A.	Greece	Leasing
NBG Property Services S.A.	Greece	Property Services
Pronomiouhos S.A. Genikon Apothikon Hellados	Greece	Warehousing services
Innovative Ventures S.A. (I-Ven) [1]	Greece	Venture capital
Ethniki Hellenic General Insurance S.A. [2]	Greece	Insurance Services
Grand Hotel Summer Palace S.A. [3]	Greece	Hotel Services
KADMOS S.A.	Greece	Real Estate Services
DIONYSOS S.A.	Greece	Real Estate Services
EKTENEPOL Construction Company S.A.	Greece	Construction Company
Mortgage, Touristic PROTYPOS S.A.	Greece	Real Estate Services
Hellenic Touristic Constructions S.A.	Greece	Real Estate Services
Ethniki Ktimatikis Ekmetalefsis S.A.	Greece	Real Estate Services
Ethniki Factors S.A.	Greece	Factoring
NBG Pangaea REIC [4]	Greece	Investment Property Company
Karolou S.A. [4]	Greece	Real Estate Services
Probank M.F.M.C [5]	Greece	Mutual Fund Management
i-Bank Direct S.A.	Greece	Financial Services
Probank Leasing S.A.	Greece	Leasing
NBG Insurance Brokers S.A.	Greece	Insurance Brokerage
Anaptixi Fragokklisia Real Estate S.A. [4]	Greece	Investment Property Company
Irinna Ktimatiki S.A. [4]	Greece	Investment Property Company
NBG Malta Holdings Ltd	Malta	Holding Company
NBG Bank Malta Ltd	Malta	Banking institution
ARC Management Two EAD (Special Purpose Entity)	Bulgaria	Special Purpose Entity
Bankteco E.O.O.D	Bulgaria	Information Technology Services
PNG Properties E.A.D. [4]	Bulgaria	Investment Property Company
I&B Real Estate [4]	Bulgaria	Investment Property Company
Banca Romaneasca S.A. [6]	Romania	Banking institution
NBG Leasing IFN S.A.	Romania	Leasing
S.C. Garanta Asigurari S.A. [2]	Romania	Insurance - Reinsurance Services
Egnatia Properties S.A. [4]	Romania	Investment Property Company
ARC Management One SRL (Special Purpose Entity)	Romania	Special Purpose Entity
Stopanska Banka A.D.-Skopje	North Macedonia	Banking institution
NBG Greek Fund Ltd	Cyprus	Fund Investment Company
National Bank of Greece (Cyprus) Ltd [2]	Cyprus	Banking institution
National Securities Co (Cyprus) Ltd [5]	Cyprus	Capital Markets Services
NBG Management Services Ltd	Cyprus	Management Services

Disclosures of Greek Law 4261/2014 Art.81

Company	Country	Business activities
Ethniki Insurance (Cyprus) Ltd [(2)]	Cyprus	Insurance Services
Ethniki General Insurance (Cyprus) Ltd [(2)]	Cyprus	Insurance Services
National Insurance Agents & Consultants Ltd [(2)]	Cyprus	Insurance Brokerage
Quadratix Ltd [(4)]	Cyprus	Investment Property Company
Lasmane Properties Ltd [(4)]	Cyprus	Investment Property Company
CAC Coral Limited [(2)]	Cyprus	Credit Acquiring Company
Aphrodite Hills Resort Limited [(4)]	Cyprus	Hotel Operation & Real Estate Development
Aphrodite Springs Public Limited [(4)]	Cyprus	Investment Property Company
Vibrana Holdings Ltd [(4)]	Cyprus	Investment Property Company
NBG Asset Management Luxemburg S.A.	Luxembourg	Asset Management Company
NBG International Ltd	U.K.	Financial Services
NBGI Private Equity Ltd [(5)]	U.K.	Private Equity
NBG Finance Plc	U.K.	Financial Services
NBG Finance (Dollar) Plc [(5)]	U.K.	Financial Services
NBG Finance (Sterling) Plc [(5)]	U.K.	Financial Services
Titlos Plc (Special Purpose Entity) [(7)]	U.K.	Special Purpose Entity
Pangaea UK Finco Plc [(4) (8)]	U.K.	Financial Services/ Issuance of capital
SINEPIA Designated Activity Company (Special Purpose Entity) [(5)]	Ireland	Special Purpose Entity
NBG International Holdings B.V.	The Netherlands	Holding Company
Nash S.r.L. [(4)]	Italy	Real Estate Services
Fondo Picasso [(4)]	Italy	Real Estate Services
NBG London Branch	U.K.	Branch of Greek banking Institution
NBG Cyprus Branch	Cyprus	Branch of Greek banking Institution
NBG Cairo Branch [(2)]	Egypt	Branch of Greek banking Institution

(1) Liquidation of Innovative Ventures S.A. (I-Ven) was completed on 7 May 2019.
(2) NIC and its subsidiaries, National Bank of Greece (Cyprus) Ltd, CAC Coral Limited and NBG Cairo Branch have been reclassified to non-current Assets held for sale.
(3) Disposal of Grand Hotel Summer Palace S.A. was completed on 5 April 2019.
(4) Disposal of NBG Pangaea REIC Group was completed on 23 May 2019.
(5) Companies under liquidation.
(6) On 30 December 2019, the Bank lost control of the Banca Romaneasca S.A. due to sale and proceeded with the derecognition of its assets and liabilities, whereas the consideration amount was settled on 23 January 2020.
(7) Liquidation of Titlos Plc (Special Purpose Entity) was completed on 13 December 2019.
(8) Pangaea UK Finco Plc was incorporated in May 2018 and was liquidated on 8th January 2019.

Disclosures of Greek Law 4261/2014 Art.82

Disclosures of Greek Law 4261/2014 Art.82

Greek Law 4261/5.5.2014 article 82, 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, established the requirement to disclose the total return on assets. This ratio for the Group and the Bank for the year ended 31 December 2019 amounted to -0.4% and 0.0%, respectively 2018: -0.1% and 0.0% respectively).

Disclosures of Greek Law 4374/2016 Art.6

Disclosures of Greek Law 4374/2016 Art.6

TABLE 1: PAYMENTS FOR PROMOTION AND ADVERTISING EXPENSES TO MEDIA ENTITIES (ACCORDING TO PAR. 1 ARTICLE 6 OF LAW 4374/2016)

Name of Media entity	Net amount 2019 (in €)
1984 PRODUCTIONS S.A.	10,481.00
24 MEDIA S.A.	33,148.60
ABP PUBLISHING P.C.	2,500.00
AGRO BROKERS LTD	3,600.00
AIRLINK S.A.	9,485.84
ALPHA SATELLITE TELEVISION S.A.	484,356.60
ALPHA RADIO S.A.	4,122.96
ALPHA RADIO KRONOS SA	835.00
AMOS INTERNATIONAL P.C.	600.00
BANKINGNEWS S.A.	59,000.00
BCO DEVELOPMENT S.P.C.	800.00
BETTERMEDIA P.C.	4,001.00
BOULEVARD FREE PRESS P.C.	2,100.26
BRAINFOOD PUBLISHING S.P.LTD	1,000.00
BUTTERFLY THE AD EFFECT	14,000.00
CODEX INTERNET SERVICES POLITI-SIAFAKA MARIELIZE VASILIKI	600.00
CREATIVE INTERNET SERVICES P.C.	1,200.00
CRISIS CINEMA NPO	460.00
DG NEWSAGENCY S.A.	10,800.00
DIGITAD PC S.P. LTD	4,019.40
DIMERA PUBLICATIONS S.A.	60,042.00
DITIONE LIMITED	1,530.00
DIVA ARCADIA'S FM LTD	500.20
DOCUMENTO MEDIA S.P.C.	76,000.00
DPG DIGITAL MEDIA S.A.	21,300.00
DRIMON P.C.	700.00
ENERGY MEDIA GROUP P.C.	419.80
ETHOS MEDIA S.A.	43,278.91
EUROMEDIA ACTION S.A.	4,700.40
FAROSNET S.A.	12,006.31
FAST RIVER LTD	3,000.00
FINANCIAL MARKETS VOICE S.A.	5,001.00
FLY-BROADCASTING CORPORATIONS	927.00
FORTHNET MEDIA S.A.	86,520.29
FREED S.A.	13,770.00
FRONTSTAGE ENTERTAINMENT S.A.	20,612.79
G&B COMAD	1,599.00
GATEWORK SA	1,500.00
GRATIA PUBLISHING LTD	750.00
GREEN BOX PUBLISHING S.A.	8,321.00
HAZLIS & RIVAS CO LTD	55,500.00
HT PRESS ONLINE S.P.C.	11,918.79
HTTPOOL P.C.	48,787.03
ICAP SA	20,500.00
IDENTITY S.A.	10,300.00
INFOMARKET P.C.	22,080.00
INTERNATIONAL RADIO NETWORKS S.A.	11,587.97
IROK P.C.	400.00
ISERVICES KAPSALIS GEORGIOS	4,000.00
ISOBAR IPROSPECT S.A.	38,223.05
J.O. INFOCENT COMMUNICATIONS P.C.	2,000.00
K.E.D. HEALTH G.P.	12,000.00
KISS MEDIA S.A.- KISS ENTERPRISES	11,894.69
KONTRA P.C.	4,040.00
KONTRA MEDIA MASS MEDIA SA	5,924.34
KOOLWORKS S.A.	8,800.00
LEFT MEDIA ANONYMOUS RADIO - TELEVISION S.A.	3,733.93

Disclosures of Greek Law 4374/2016 Art.6

Name of Media entity	Net amount 2019 (in €)
LIQUID MEDIA S.A.	19,836.00
MARATHON PRESS IKE	2,000.00
MARKETING AND MEDIA SERVICES S.P.C.	7,600.00
MEDIA - COMMUNICATION SA	5,400.00
MEDIA2DAY PUBLISHING S.A.	159,852.31
MONOCLE MEDIA LAB MONONEWS S.P.C.	43,533.39
MORAX MEDIA PUBLISHING S.A.	7,422.91
MPAM MEDIA P.C.	2,700.00
N.S.P. RADIO S.A.	3,750.15
NEW MEDIA NETWORK SYNAPSIS S.A.	100,767.00
NEW TIMES PUBLISHING P.C.	26,500.00
NEW YORK TIMES FRANCE-KATHIMERINI S.A.	8,800.00
NEWPOST PRIVATE COMPANY	17,492.00
NEWSIT LTD	35,500.00
NK HOLDING P.C.	6,958.19
NK MEDIA GROUP LTD	20,282.00
OLIVE MEDIA S.A.	18,600.00
ON ACTIVE L.P.	1,000.00
PERFECT MEDIA ADVERTISING S.P.C.	15,520.00
PREMIUM S.A.	28,500.00
PREMIUMMEDIA P.C.	692.00
PRESS LOCAL AUTHORITIES P.C.	4,000.00
PRIME APPLICATIONS S.A.	15,500.00
R MEDIA PUBLISHING L.P.	1,750.00
R MEDIA S.P. LTD	18,850.00
RADIO PLAN BEE P.C.	3,618.00
RASCAL S.A.	104,298.83
REAL MEDIA S.A.	116,542.00
RENFER S. LTD	850.00
SABD PUBLISHING S.A.	76,008.00
SATCO MEDIA TV- D. TRAMPAS	1,500.00
SBC SINGLE MEMBER PRIVATE COMPANY	484.00
SBD P.C.	73,530.16
SFERA RADIO BROADCASTING S.A.	7,565.79
SINGLEPARENT.GR - HARITAKI KIRIAKI	300.00
SLEED P.C.	49,700.00
SPORT TV- RADIOTELEVISION BROADCASTING S.A.	10,884.74
SPORTDOG P.C.	1,000.00
SPORTNEWS INTERNET SERVICES S.A.	7,601.32
SPOT G.P. - APOSTOLOS ELLINAS	927.00
STAR SA CENTRAL GREECE'S BROADCASTING CORPORATION	1,800.00
STARTCOM LTD	543.00
TELIA COMMUNICATIONS S.A.	3,000.00
THE MEDIA WORKSHOP LTD	1,500.00
THE TOC DIGITAL MEDIA SERVICES S.A.	18,200.00
THESS NEWS P.C.	3,800.00
TLIFE LTD	8,000.00
TYPOS MEDIA S.A.	7,600.00
UW UNDERWRITER PRESS LIMITED	1,411.25
VICTORY S.P.LTD	5,100.00
VOTE POSITIVE CRITERION COMMUNICATIONS LTD	6,000.00
W.S.F. WALL STREET FINANCE P.C.	2,000.00
WAVE MEDIA OPERATIONS LTD	3,080.00
WAVEMAKER HELLAS S.A.	7,273.44
WORLD TWENTY FOUR SEVEN L.P.	22,100.16
ZOUGLA.GR S.A.	34,006.10
A.& K. KARTELIAS G.P.	430.50
A. GANTZIOS - TH.DANOS G.P.	2,674.00
AGROTYPOS S.A.	1,800.01
ADESMEFTI ENIMEROSI P.C. (VIP MEDIA)	6,600.00
ATHANASIADIS E. CHRISTOS	2,052.00
ATHANASIADIS P. & CO S.A. – NAFTEMPORIKI	53,119.02
ATHANASIOU DAMIANOS	730.00

Disclosures of Greek Law 4374/2016 Art.6

Name of Media entity	Net amount 2019 (in €)
ATHANASIOU EVANGELOS & CO G.P.	2,500.00
ATHANASIOU CHR. PANAYIOTIS	2,214.40
ATHENS VOICE PUBLISHING S.A.	32,684.00
ATHENS NEWS AGENCY - MACEDONIAN PRESS AGENCY S.A.	10,614.00
ALTSANTIRI.GR P.C.	2,000.00
ALEXIOU G. & CO SA	8,540.35
ALEVRITIS TRIFON S.P. LTD	2,000.00
REALFM S.A.	202,336.50
ALTER EGO MEDIA S.A.	644,792.00
INDEPENDENT MEDIA S.A.	78,000.00
ANTENNA TV S.A.	748,720.93
ANTENNA WEST CRETA - ANEZAKIS EPAMINONDAS	525.20
NEW TECHNOLOGIES & INTERNET APPLICATIONS R&D S.A.	59,500.00
ARAMPATZIS ALEX. DIMITRIOS	5,400.00
ARGO PUBLISHING AND ADVERTISING CO LTD	1,700.00
ARETI-ANNA TZALA & CO L.P.	3,350.00
ASPROUDAS FOTIOS	670.00
ATTICA PUBLICATIONS SA	1,000.00
AVGOULI A. - GIAOURDIMOS G. & CO L.P.	2,000.00
APOSTOLOU BROS G.P.	500.20
ACHAIKI RADIO PUBLISHING S.A.	2,377.19
V. SKOUTARAS S.A.	5,827.50
VALASELLIS CHRISTOS	393.90
VAROUXIS DIONYSIOS & CO G.P.	770.00
VAROUXIS K. ELEFTHERIOS & SONS G.P.	7,350.00
VERGINA S.A.	10,890.00
VLACHOPOULOS EFTH. KONSTANTINOS	472.50
BOEOTIA NEWS	2,000.00
BOEOTIA PUBLICATIONS S.P. LTD	1,920.00
VORIA INFORMATIVE SA	7,434.00
G. SIMANTONIS & CO G.P.	2,280.00
GALANOMATIS GAVR. GEORGIOS	1,900.00
GARANTONAKIS EMMANOUIL	1,596.90
GENERAL RADIOTELEVISION ENTERPRISES S.A.	8,303.00
GIANNOPOULOS CHAR. NIKOLAOS	650.00
GIANNOULI PANAYIOTA-MARIA	9,408.00
GNOMI S.P.LTD	10,385.00
GRAPHOTECHNIKI KRITIS SA	2,514.00
D. ROUCHOTAS & CO G.P.	11,441.07
DEILONGOS GREGORIOS	1,030.00
DELTA TELEVISION SA	560.00
DESMI PUBLISHING ADVERTISING RADIO & INTERNET APPLICATIONS S.A.	6,593.00
DIMITRIADIS TH. & CO P.C.	8,945.50
DEMOCRATIC PRESS NEWS PUBLISHING TRADE S.A.	7,000.00
ELEFTHERIA JOURNALISTIC ORGANIZATION S.A.	9,000.00
KONDYLI SA JOURNALISM ORGANISATION	4,200.00
CHRONOS P.C. JOURNALISM ORGANISATION	7,950.20
MUNICIPAL CORPORATION OF INFORMATION AND COMMUNICATION	499.80
TELEVISION CORPORATION OF ASPROPYRGOS MUNICIPALITY	3,780.00
DIOGENIS NON PROFIT COMPANY	3,000.00
DIFONO BROADCASTING S.A.	1,682.60
DOUKAS CON. NIKOS PUBLICATIONS ADVERTISEMENTS	700.00
DOUSIS ANASTASIOS & CO L.P.	7,500.00
DIO DEKA PUBLISHING COMPANY S.A.	34,485.00
I.DRAKATOU-M.DRAKATOU G.P. – PRIVATE INSURANCE	5,600.00
E.SPYROU-G.K.SPYROU G.P.	12,500.03
THE NATIONAL HERALD OF NEW YORK HELLAS LTD	10,298.24
DOT COM NEWS S.A.	716,521.86
MOTORI PUBLICATIONS LTD	1,650.00
ALITHEIA PUBLICATIONS LTD	3,200.00
KARAMANOGLOU PRINTING MATERIAL PUBLICATIONS L.T.D.	5,300.00
EPIKAIRA PUBLISHING S.A.	2,400.00
KERKYRA PUBLICATIONS S.A.	800.00

Disclosures of Greek Law 4374/2016 Art.6

Name of Media entity	Net amount 2019 (in €)
NEO CHRIMA PUBLISHING S.A.	36,000.00
PROTO THEMA PUBLISHING S.A.	502,593.60
REVMATA PUBLICATIONS S.A.	13,000.00
ELEFTHERIA S.A.	12,570.00
ELEFTHERIA TIPOU PUBLISHING S.A.	191,850.00
HELLAS NET TV BROADCASTING SERVICES	2,484.00
GREEK SHIPPING PUBLISHING LTD	1,000.00
HELLENIC RADIO ENTERPRISES SA	3,540.88
ELNAVI LTD	800.00
EMMANOUILIDOU CHRYSI GRAPHIC ARTS SA	2,300.00
ENIKOS S.A.	29,500.00
ENTYPOEKDOTIKI INDUSTRIAL & COMMERCIAL S.A.	18,700.00
EXPLORER S.A.	15,600.00
AEGEAN COMMUNICATION SA	7,050.00
COMMUNICATION LTD	155,000.00
THE FURIES NEWS P.C.	3,750.00
ERMIS SA	3,400.00
ERMIS NPO	1,300.00
HERMES PUBLICATIONS & PRINTING CIVIL COMPANY	1,613.00
ERMIDI GEORGIA	1,125.00
ESTIA MEDIA INVESTMENTS SA	122,446.00
COMPANY FOR DEVELOPMENT AND PROGRESS	1,500.00
EVAGGELOS SPYROU LTD	10,936.90
EVDOXIA CHATZIGEORGIOU & CO L.P.	1,500.00
ESTIA NEWSPAPER S.A.	60,400.00
ZOUGRIS DIMITRIOS & CO L.P.	1,650.00
AVGI PUBLISHING S.A.	12,000.00
KATHIMERINI SA	6,850.00
IMERODROMOS P.C.	2,000.00
HERODOTUS RADIO P.C.	687.50
ICHOS & RITHMOS S.A.	91,995.00
THAROS PUBLICATIONS LTD	4,860.00
THEMA RADIO S.A.	5,734.36
THEODOROU KONSTANTINOS & CO G.P.	472.50
THEOFANIDIS MEDIA GROUP S.P.C.	6,000.00
THESSALIKI BROADCASTING SA	945.00
THETA COMMUNICATIONS LTD	6,000.00
I. DIONATOS & CO L.P. "DELTA PRESS"	12,125.79
I. KOROMILIS S.A.	5,000.00
I. N. LEOUSIS – ADVERTISING COMMERCIAL S.A.	1,000.00
IKAROS RADIOTELEVISION COMPANY S.A.	5,952.00
INSTITUTE OF RESEARCH & STUDIES OF CENTRAL UNION OF HELLENIC CHAMBERS OF COMMERCE	1,450.00
IONIAN BROADCASTING CORPORATIONS	1,050.00
IOANNIS KIRIAKOPOULOS & CO L.P.	2,000.20
IOANNIS PAPAYIANNIS	7,209.00
IOANNIDIS PHAIDON - GEORGIOS I.	4,300.00
IOANNINA TV S.A.	1,530.00
K.M. CHATZIILIADIS & CO L.P.	6,646.11
KAZANTZIDIS CHR. CHARALAMPOS	5,600.00
KATHIMERINES PUBLICATIONS S.A.	643,780.28
KALANTZIS CHRISTOS	6,880.00
KAMPIOTIS SPIR. & CO G.P.	2,400.00
KANELLOS DIMITRIOS	472.45
KANIS A. NIKOLAOS	7,240.00
KANTARIDOU ELENI	927.00
KANTZIOS GR S.A.	2,000.00
CAPITAL.GR S.A.	95,300.00
KARAMITSOS ANASTASIOS & PARTNERS	5,000.00
KARTELIAS GEORGIOS	717.50
KARIDIS VASILIOS I. & CO G.P.	5,200.00
KASMIRLIS AP. DIMITRIOS	2,000.00
KATSAITIS GEORGIOS DAILY NEWS	2,000.00
KATSATOU PINELOPI & CO S.A.	11,000.00

Disclosures of Greek Law 4374/2016 Art.6

Name of Media entity	Net amount 2019 (in €)
KELEKIS ST. CHRISOSTOMOS	2,000.40
KLIK PUBLICATIONS S.A.	1,530.00
KOZIRI KAL.-KOZIRIS MICH. G.P.	2,000.00
KOKALIDES IOAN. VASILIOS	288.00
KOLLIAS A. NIKOLAOS	900.00
KOLOKAS D. & CO G.P. IONION FM RADIO STATION	1,019.70
KONTOYIANNIS GEORG. DIMITRIOS - NEWSPEPPER.GR	1,020.00
KOSMATOU S. THEODORA	806.49
COSMORADIO L.P.	2,843.24
KOUTSOLIONTOU IOAN. & EVD.	4,000.00
CRETAN NEWS PAPADAKIS MICHALIS	2,000.00
KIMPOUROPOULOS D. IOANNIS	499.80
KIRIAZIDOU DIMOSTH. ANNA	1,158.75
KONSTANTOPOULOS D. & CO L.P.	730.00
LAMPROPOULOU A. - MASOURAS CH. G.P.	300.00
LAMPSI RADIO & PUBLISHING COMPANIES S.A.	9,171.90
LASKARAKIS E. & CO L.P.	3,400.00
LEMAS SOT. EVANGELOS	2,538.00
LEFKOFRIDOU ZOI P.C.	500.00
LEOTSAKOS-BOUSBOURELIS G.P.	5,000.00
LOGOTYPOS SA	2,000.00
LOIZOS KL. LOIZOS	946.00
LYKAVITOS PUBLICATIONS S.P.C.	2,800.00
M. KONSTANTINIDOU & CO G.P.	3,000.00
M. TSAROUXAS & CO	10,000.00
MARKETALL.EU EVDOKIA PAPADOPOULOU	1,530.00
MAKEΔONIA TV SA	14,738.12
MACEDONIA MEDIA S.A.	4,500.00
MALTEZOS DIMITRIOS	295.00
MAMA 365 INTERNET COMPANIES LTD	2,300.00
MANESIOTIS NIK-PSOMIADIS CON. G.P.	17,381.10
MARIA VASILAKI PUBLICATIONS S.P.C.	3,000.60
MARKOU S. STEFANOS	499.90
MASMANIDES I. THEOFILOS	834.30
MASOURIS K. SPYRIDON	6,790.00
MATSIRAS CH. GIANLUCA	400.00
MAVROMATIS G. KONSTANTINOS	5,714.34
MELODIA S.A.	14,234.11
MEXAS A. ANASTASIOS	419.80
METRODEAL S.P.C.	20,264.52
MOUNTAKIS K. ANTONIOS	5,428.62
MOUSIKES SYCHNOTITES S.P.C.	1,452.20
MPAVELAS E. THEODOROS	525.00
BAKAS ARG. IOANNIS	543.66
BAKI DIM. DIMITRA	531.80
BAKIS KONSTANTINOS & CO L.P.	549.81
MPALI VAS. SOFIA	840.00
BABILI EVLAMPIA	600.12
BERDESIS A.-TSAMIS K. G.P.	800.00
MPOULIS N. SPYRIDON	1,545.00
BOURAS D. & CO G.P.	16,040.80
BOUSIAS COMMUNICATIONS LTD	7,250.00
MIKONIATIS S.A.	8,100.00
MYLONAS NIKOLAOS	393.60
NASTOULI EV. GEORGIOS	670.00
WESTERN'S GREECE NEWS	5,610.00
NEA TELEORASI S.A.	308,816.44
NEW RADIO OF JOURNALISTS LTD	90,516.00
NEOEKDOTIKI ACHAIAS LTD	7,209.00
NIKITAIAS NIK.-DIMITRAKOPOULOU PANAYIOTA	2,000.00
NOISIS P.C.	750.00
XANTHIS CHRYSANTHOS	550.00
XIPOLITAKIS K. PANTELIS	896.10

Disclosures of Greek Law 4374/2016 Art.6

Name of Media entity	Net amount 2019 (in €)
OPINION POST DIGITAL PUBLICATIONS S.A.	3,800.00
INDEPENDENT INFORMATION ORGANISATION	2,000.00
SPORT FM MEDIA ORGANIZATION	20,460.96
ORIZONTES LTD	1,920.00
ORPHANIDES PANAYIOTIS	471.50
OTE S.A.	70,596.90
OYZOYNIDOY D. SOFIA	400.00
P.D. PUBLICATIONS L.TD.	9,729.00
PALO LTD – DIGITAL TECHNOLOGIES	7,263.45
EPIRUS TELEVISION SA	900.00
PANTAZIS ZOIS	3,400.00
PAPADIMITRIOU DIMITROULA	1,161.40
PAPADOYIANNI MARIA	1,400.00
PAPADOPOULOS ALEXANDROS	650.00
PAPADOPOULOS ARISTIDES	1,020.00
PAPALIOS CONSTANTINOS & CO L.P.	9,492.00
PAPAMICHALAKI G.I. PUBLICATIONS	4,304.00
PAPAMICHALAKIS KONSTANTINOS	1,000.00
PAPATRIANTAFYLLOU GEORGE	500.00
PAPPIS VASILEIOS	525.00
PARA ENA INTERNET SERVICES S. LTD	43,933.00
PARAPOLITIKA PUBLISHING S.A.	21,900.00
PATSIKAS VEROIA PUBLISHING JOURNALISM L.P.	5,875.60
PAVLOPOULOS S. - INTERNET & SOCIALMEDIA	4,800.00
PELOPAS SA	927.00
PELOPONNESE PATRON EDITIONS S.A.	6,000.00
PLEOURAS SPYROS	3,600.00
POLIAS NIKOS L.P.	6,950.00
POLITIS G.P.	1,520.00
POLITIK PRESS	4,000.00
POUGARIDIS ANTONIS K.	10,200.00
POULOPOULOS GEORG. ATHANASIOS	635.00
PROVOLI SALES PROMOTION S.A.	500.00
PROTAGON S.A.	6,500.00
RADIO ATHENS S.P. LTD	5,630.00
RADIO ZYGOS LTD	577.28
RADIO THESSALONIKI S.A.	20,498.93
RADIOTELEVISION GREEK PUBLISHING MEDIA S.A.	2,000.40
BROADCASTING ENTERPRISES S.A.	81,467.69
EPIRUS BROADCASTING CORPORATIONS SA	1,100.00
BROADCASTING S.A.	102,299.52
EXPRESS RADIO BROADCASTING S. LTD	3,208.60
CRETAN RADIO AND TELEVISION SA	1,004.50
ACHAIA RADIO LTD	875.40
RADIO PRODUCTIONS SA	975.87
DIESI FM RADIO COMMUNICATION S.A.	9,542.15
RAFTOPOULOS TH. & M G.P.	3,800.00
S. TSOPANAKI - I. KOTIADES SONS G.P.	12,500.00
S. GAVRIILIDES-TH. CHRISTAKIS G.P.	927.00
SAVOPOULOS ALEX. IOANNI	800.00
SARISA LTD	17,000.00
SELANA S.A.	4,000.00
SERRES MEDIA CULTURAL COMMUNICATION SA	460.00
SIADIMAS GEORGIOS	1,020.00
SIMOUSI L.P.	5,100.00
CINE NEWS S.A.	65,000.00
SKLAVOUNAKIS EMANOUIL	695.24
SKOULIKA KLE. VASILIKI	460.00
SOFIANNA S.A.	4,306.45
SOFOS P. STYLIANOS	330.00
STASINOS NIKOLAOS & CO G.P.-MEDIA VIEW PUBLICATIONS	800.00
STELIOS SOKRATIS	9,000.00
STERGOS TSAMPIKOS MATSIS	5,428.00

Disclosures of Greek Law 4374/2016 Art.6

Name of Media entity	Net amount 2019 (in €)
STEFANIS I. EMANOUIL	300.00
STEFANOPOULOS STEFANOS	1,792.50
SICHRONI EPOCHI PUBLISHING I.C.S.A.	5,600.00
SYMEON & CO G.P.	430.00
ALLIANCE FOR GREECE	11,000.00
SIRGANI LAM. PARASKEVI	1,000.00
SCHIMA COOPERATIVE JOINT VENTURE	250.00
TA NEA TIS TECHNIS PUBLISHING P.C.	18,000.00
TEKMIRIOSI S.LTD	5,300.00
TZEKAS P. CHARALAMPOS	4,000.00
PANDORA'S BOX MEDIA L.P.	9,461.00
TOULA G. MARINA & CO S.A.	1,300.00
TRAPEZIKO VIMA	750.00
TRAPEZIKOS AGONAS TOMELITOU I. KASTORINI	900.00
TRIANTAFILOU D. CHRISTOS	3,800.00
TSAGALAS S.-PATA I. G.P.	918.40
TSANTZALOS LAMPROS	1,256.19
TSINIARAKIS MANOUSOS & CO L.P.	3,265.76
TSITSONIS AN. IOANNIS	576.90
TSOMPANIDOU SOFIA & CO G.P.	525.20
TYPOEKDOTIKI DIMITRIADIS CHR. & CO G.P.	4,000.00
YPAITHROS CHORA S.A.	2,800.00
PHILELEFTHEROS PUBLISHING S.A.	85,946.70
PHILELEYTHEROS TYPOS S.A.	27,900.00
FILIPPOU PANAYIOTIS	525.20
FOTAGOGOS LTD	1,530.00
FOTINOS FOTIOS	2,000.00
FOTOPOULOU MARIANNA	3,500.00
HANIOTIKA NEA S.A.	2,900.00
CHARAMI SA	1,440.00
CHATZINIKOLAOU NIKOLAOS & CO L.P.	10,000.00
CHIOTI CHRISTINA - ANNA	3,693.60
CHONDROYIANNI CHRYSOULA CHRISTINA	3,900.00
CHOUTZOUMIS XHRISTOF. & CO G.P.	2,300.00
XRISI EFKERIA S.A.	3,500.00
TOTAL	**8,892,280.88**

Note:

Additional disbursements related to the above payments have been made, in compliance with the existing legislative, fiscal and regulatory framework, for VAT, tax and levies on TV and radio advertisements and other charges, amounting to €2,301,209.58.

TABLE 2: PAYMENTS FOR DONATIONS, GRANTS AND SPONSORSHIPS (ACCORDING TO PAR. 2 ARTICLE 6 OF LAW 4374/2016)

Legal Entities

Beneficiary	Net amount 2019 (in €)
"THE INVENTORS" 4TH PRIMARY SCHOOL OF VOULA ROBOTICS TEAM	1,000.00
"MELISSA" FEMALE ORPHANAGE	2,172.00
"OLYMPUS MARATHON" NON PROFIT ORGANIZATION	25,000.00
1ST PRIMARY SCHOOL OF MAGOULA	1,706.32
2ND EXHIBITION OF SOCIAL AND SOLIDARITY ECONOMY	300.00
2ND PRIMARY SCHOOL OF MAGOULA	1,030.89
81ST NURSERY SCHOOL OF ATHENS	3,822.48
ACT4GREECE	1,003.62
ALBA COLLEGE	3,500.00
ATHENS DEMOCRACY FORUM	15,000.00

Disclosures of Greek Law 4374/2016 Art.6

Beneficiary	Net amount 2019 (in €)
AUDE SAPERE PRODUCTIONS	300.00
BEYOND CSR LIMITED	7,000.00
COEURS POUR TOUS HELLAS	10,000.00
DELPHI ECONOMIC FORUM NPO	20,000.00
GEO ROUTES CULTURAL INSTITUTE	15,000.00
IRONMAN 70.3 MIKE ARGYRIS	35,000.00
MAKE A WISH GREECE	100.00
OLYMPIA FORUM - CONFERENCE OF DEVELOPMENT OF PELOPONNESE	2,500.00
OPEN HOUSE GREECE	1,400.00
OXBELLY SCREENWRITERS & DIRECTORS LAB	50,000.00
RELOAD GREECE FOUNDATION	12,000.00
SAFE WATER SPORTS	20,000.00
ST CATHERINE'S BRITISH SCHOOL	500.00
TECHNOLOGY FORUM	5,000.00
WORLD HUMAN FORUM	10,000.00
BROTHERHOOD OF MAVRONORITES OF IOANNINA	15,487.50
ALMA ANAPTIXIS	1,000.00
APOSTOLI NON PROFIT ORGANIZATION	200,000.00
ARETAEIO HOSPITAL	35,000.00
HELLENIC POLICE HEADQUARTERS	82,756.68
URBAN CENTER OF PATRA	48,000.00
MANDRA POLICE STATION	275.84
DIOMIDOUS BOTANICAL GARDEN	50,000.00
GENERAL STATE ARCHIVES	946.40
GENERAL POLICE DIRECTORATE OF ATTICA	1,463.20
HELLENIC NAVY GENERAL STAFF	7,896.00
GENERAL HOSPITAL OF SITEIA	20,000.00
GENERAL HOSPITAL OF ATHENS "LAIKO"	52,000.00
GENERAL HOSPITAL OF ATHENS ALEXANDRA	54,199.00
GENERAL HOSPITAL OF GREVENA	16,000.00
GENERAL HOSPITAL OF IKARIA	22,000.00
GENERAL HOSPITAL OF IOANNINA G. XATZIKOSTA	48,000.00
GENERAL HOSPITAL OF KARDITSA	36,426.12
GENERAL HOSPITAL OF KARYSTOS	3,828.50
GENERAL HOSPITAL OF LAMIA	4,890.00
GENERAL HOSPITAL OF NIKAIA	53,700.00
GENERAL CHILDREN HOSPITAL OF ATHENS "AGIA SOFIA"	164,000.00
PANAGIOTIS & AGLAIA KYRIAKOU CHILDREN'S HOSPITAL	142,108.00
GENERAL HOSPITAL OF PATRAS	3,491.18
GENERAL HOSPITAL OF RETHYMNO	31,500.00
GENERAL HOSPITAL OF LARISA	12,431.50
GENERAL HOSPITAL OF LIVADIA	11,947.50
EVAGGELISMOS GENERAL HOSPITAL	680,420.94
HIGHSCHOOL OF VROSINA IOANNINA	177.00
HIGHSCHOOL OF ANAFI	4,964.57
MUNICIPALITY OF ATHENS	29,197.31
MUNICIPALITY OF ATHENS - SPECIAL NURSERY SCHOOL OF NIKOPOLIS STR.	12,750.00
MUNICIPALITY OF EAST MANI	5,489.01
MUNICIPALITY OF ELEFSINA	2,143.11
MUNICIPALITY OF KOZANI	3,000.00
MUNICIPALITY OF SPETSES	3,100.00
DIAZOMA	20,000.00
INTERNATIONAL CENTER OF EDUCATION AND CULTURE "IONIA"	5,000.00
AMNESTY INTERNATIONAL	20,000.00
THESSALONIKI INTERNATIONAL FAIR	150,000.00
INTERNATIONAL SOCIAL SERVICE - HELLENIC BRANCH	8,000.00
HELLENIC COTTON ASSOCIATION	1,000.00
NETWORK OF SOCIAL SOLIDARITY AND ASSISTANCE	20,000.00
GIFT-GAMES ACTION 2019	1,500.00
SPECIAL ACCOUNT FOR RESEARCH FUNDS UNIVERSITY OF PATRAS	11,700.00
SPECIAL ACCOUNT FOR RESEARCH FUNDS PANTEION UNIVERSITY	4,000.00
GREEK NATIONAL OPERA	200,000.00
NATIONAL VOLLEYBALL TEAM	30,000.00

Disclosures of Greek Law 4374/2016 Art.6

Beneficiary	Net amount 2019 (in €)
NATIONAL AND KAPODISTRIAN UNIVERSITY OF ATHENS	10,618.00
NATIONAL EMERGENCY CENTER (EKAV)	27,421.50
CENTRE FOR RESEARCH AND TECHNOLOGY-HELLAS (CERTH)	2,500.00
NATIONAL TECHNICAL UNIVERSITY OF ATHENS	5,308.00
NATIONAL GYMNASTIC ASSOCIATION	10,000.00
SPECIAL ELEMENTARY SCHOOL OF ELEFSINA	4,939.54
SPECIAL ACCOUNT FOR RESEARCH GRANTS OF THE IONIAN UNIVERSITY	15,000.00
HWEA-HELLENIC WIND ENERGY ASSOCIATION	2,000.00
HELLENIC POLICE	18,833.05
HELLENIC UNION OF SMALL AND MEDIUM ENTERPRISES - INNOVATION GREECE / PRAXIS NETWORK	3,000.00
HELLENIC MANAGEMENT ASSOCIATION (HMA)	3,000.00
HELLENIC ASSOCIATION FOR ENERGY ECONOMICS	18,000.00
ELEPAP-REHABILITATION FOR THE DISABLED	4,506.85
HELLENIC PARALYMPIC COMMITTEE	40,000.00
HELLENIC CARDIOLOGY FOUNDATION	2,000.00
HELLENIC INSTITUTION OF MEDICAL ONCOLOGY	5,000.00
HELLENIC INSTITUTE OF INTERNAL AUDITORS	3,500.00
HELLENIC INSTITUTE OF MARINE TECHNOLOGY (H.I.M.T.)	2,000.00
HELLENIC CENTRE FOR MARINE RESEARCH	2,000.00
HELLENIC CHILDREN'S MUSEUM	1,388.43
"HERMES 1877" SPORTS CLUB	51,595.79
AMERICAN-HELLENIC CHAMBER OF COMMERCE	29,500.00
HELLENIC-GERMAN CHAMBER OF COMMERCE AND INDUSTRY	9,000.00
ATHENS TRADE ASSOCIATION	4,000.00
HELLENIC ACTUARIAL SOCIETY	7,000.00
HELLENIC ASSOCIATION OF INSURANCE COMPANIES	1,500.00
TOGETHER FOR CHILDREN	1,175.00
EPILOGOS NON PROFIT ORGANIZATION	4,000.10
COMMITTEE OF GREECE 2021	450,000.00
ARCHIPELAGOS CIVIL NON-PROFIT COMPANY	20,000.00
LABOR AND SOCIAL SECURITY LAW COMPANY	2,500.00
CEREBRAL PALSY GREECE	7,025.11
STOA THEATRE COMPANY	12,000.00
GREEK ART THEATRE KAROLOS KOUN	16,880.00
"PAMMAKARISTOS" FOUNDATION	5,995.05
FULBRIGHT FOUNDATION - GREECE	10,000.00
HATZIKONSTA FOUNDATION	12,308.00
THANASIS PAPADOPOULOS FOUNDATION	4,500.00
FOUNDATION OF THE HELLENIC WORLD	92,226.00
MICHAEL CACOYIANNIS FOUNDATION	80,000.00
FOUNDATION FOR THE SUPPORT OF THE ECUMENICAL PATRIARCHATE	120,000.00
HOLY METROPOLIS OF KYTHIRA	2,368.84
HOLY METROPOLIS OF NIKOPOLIS AND PREVEZA	5,000.00
CHURCH OF SAINT JOHN THE DIVINE OF XIROMERO	10,000.00
PROLEPSIS INSTITUTE	4,000.00
SAINT MAXIMUS THE GREEK INSTITUTE	8,000.00
CORPORATE RESPONSIBILITY INSTITUTE - CRI	6,450.00
ROAD SAFETY INSTITUTE "PANOS MYLONAS"	1,937.42
AXANA ARTS COMPANY	20,000.00
KENTRO AGAPIS ELEFSINAS	5,224.00
CENTER FOR INDIVIDUALS WITH SPECIAL NEEDS "HARA"	3,048.12
UNIVERSITY OF PIRAEUS RESEARCH CENTRE	6,000.00
OPERATIONS CENTER P.C.	6,000.00
HEALTH CENTER OF AXIOS PYLI	13,335.00
HEALTH CENTER OF ALEXANDRIA	13,335.00
HEALTH CENTER OF GYTHEIO	10,000.00
HEALTH CENTER OF DIAVATA	13,335.00
HEALTH CENTER OF IERAPETRA	64,207.00
HEALTH CENTER OF KANALAKI	10,000.00
HEALTH CENTER OF KARPATHOS	539.30
HEALTH CENTER OF KIATO	10,000.00
HEALTH CENTER OF KONITSA	10,000.00
HEALTH CENTER OF LEONIDIO	10,000.00

Disclosures of Greek Law 4374/2016 Art.6

Beneficiary	Net amount 2019 (in €)
HEALTH CENTER OF MEGALOPOLI	10,000.00
HEALTH CENTER OF NAFPAKTOS	10,000.00
HEALTH CENTER OF NEAPOLIS	2,156.91
HEALTH CENTER OF NEA MICHANIONA	13,335.00
HEALTH CENTER OF PARAMYTHIA	10,000.00
HEALTH CENTER OF CHALANDRITSA	10,000.00
HEALTH CENTER OF CHALASTRA	13,335.00
ARK OF THE WORLD NPO	400.00
ELLA - DIKA MAS COMMUNTITY OF ENTERPRISES	5,000.00
ATHENS COLLEGE	900.00
CHIOS PORT	1,350.00
SUPPORT CENTRE FOR ADDICTS“METAMORPHOSIS”	3,000.00
NON PROFIT ORGANIZATION "DIALOGOS"	20,000.00
NON PROFIT ASSOCIATION '' PARTNERSHIP FOR GREECE ''	23,250.00
HEALTH UNIT OF 25TH MARCH	13,335.00
HEALTH UNIT OF AGRINIO	10,000.00
HEALTH UNIT OF KATO ACHAIA	10,000.00
HEALTH UNIT OF TOUMPA	13,335.00
NATIONAL BANK OF GREECE CULTURAL FOUNDATION	2,100,000.00
ANGELOS SIKELIANOS MUSEUM - LEFKADA	25,869.34
GOULANDRIS MUSEUM	10,000.00
BENAKI MUSEUM	39,000.00
YACHT CLUB OF GREECE	10,000.00
METAXA HOSPITAL OF PIRAEUS	631.60
HELLENIC CHAMBER OF HOTELS	7,000.00
MANPOWER EMPLOYMENT ORGANIZATION (OAED)	108,521.26
ECONOMIC CHAMBER OF GREECE	3,500.00
ATHENS UNIVERSITY OF ECONOMICS AND BUSINESS	10,000.00
OLYMPIC MUSEUM OF THESSALONIKI	10,379.52
TACHYTIS TEAM OF ERASMIOS GREEK-GERMAN SCHOOL	590.00
FEDERATION OF INSURANCE ASSOCIATIONS OF GREECE	2,000.00
FEDERATION OF HELLENIC ASSOCIATIONS OF TOURIST AND TRAVEL AGENCIES (fed Hatta)	10,000.00
ATHENS CONCERT HALL ORGANIZATION	79,456.60
THESSALONIKI CONCERT HALL ORGANIZATION	20,000.00
MIKIS THEODORAKIS ORCHESTRA	10,000.00
SOS CHILDREN ‘S VILLAGE OF GREECE	13,542.17
HELLENIC COTTON ASSOCIATION OF GINNERS AND EXPORTERS	1,000.00
PANHELLENIC ASSOCIATION OF INSURANCE ADVISORS	1,350.00
ATTIKON UNIVERSITY HOSPITAL	3,267.00
AHEPA UNIVERSITY GENERAL HOSPITAL OF THESSALONIKI	23,000.01
UNIVERSITY OF IOANNINA	5,000.00
UNIVERSITY OF PATRAS	5,000.00
UNIVERSITY OF PIRAEUS	15,000.00
PANEPIROTIC CONFEDERATION OF GREECE	1,800.00
HEALTH UNIT OF HERAKLION	14,145.00
HEALTH UNIT OF VERIA	16,945.00
REGIONAL DIRECTORATE OF PRIMARY AND SECONDARY EDUCATION	700.00
PISTI-ASSOCIATION OF PARENTS AND GUARDIANS OF CHILDREN WITH NEUROLOGICAL DISORDERS	484.95
EMBASSY OF GREECE IN EGYPT	1,789.20
THOUGHT FOR ACTION NGO	1,000.00
SPECIAL OLYMPICS INTERNATIONAL-GREECE	20,000.07
STOART KORAI - DIMITRIS PAPAGEORGOPOULOS	4,076.73
NBG ASSOCIATION FOR DISABLED PEOPLE	3,000.00
ALUMNI ASSOCIATION OF THE EXPERIMENTAL SCHOOL OF THE UNIVERSITY OF ATHENS	3,000.00
FOREST FIRE PROTECTION VOLUNTEERS OF ATTICA	913.46
ASSOCIATION OF SCIENTIFIC STAFF AT NATIONAL BANK OF GREECE	9,920.00
VISION OF HOPE ASSOCIATION	5,000.00
ASSOCIATION OF DOXIOTON OF GORTINIA, ARCADIA	3,999.99
ASSOCIATION OF FRIENDS OF PATRIARCHAL GREAT SCHOOL OF THE NATION	11,584.00
ASSOCIATION OF INDUSTRIES IN THESσSALY AND IN CENTRAL GREECE	1,000.00
ASSOCIATION OF REPRESENTATIVES AND EMPLOYEES OF INSURANCE COMPANIES	3,300.00
HELLENIC INSURANCE BROKER ASSOCIATION	5,000.00
HELLENIC AMATEUR ATHLETIC ASSOCIATION (SEGAS)	30,000.00

Disclosures of Greek Law 4374/2016 Art.6

Beneficiary	Net amount 2019 (in €)
THERAPEUTIC RIDING ASSOCIATION OF GREECE	1,000.00
ASSOCIATION OF THESSALIAN INDUSTRIES & ENTERPRISES (STHEV)	1,000.00
ASSOCIATION OF NATIONAL BANK OF GREECE SHAREHOLDERS	3,000.00
ASSOCIATION OF GREEK RICE MILLERS	4,000.00
SECONDARY EDUCATION SCHOOL COMMITTEE	5,000.00
SCOUTS OF GREECE	1,849.99
BOARD OF TEACHERS OF ATHENS UNIVERSITY	8,400.00
SANTA RUN CHANIA ASSOCIATION	360.00
ASSOCIATION OF PARENTS AND GUARDIANS OF DISABLED CHILDREN OF ARGOS KALYMNOS	1,064.63
ARCHAEOLOGICAL RECEIPTS FUND	74,726.00
MUTUAL HEALTH FUND OF NATIONAL BANK OF GREECE PERSONNEL	308,102.30
WESTERN GREECE UNIVERSITY OF APPLIED SCIENCES	2,500.00
PAROS FESTIVAL	400.00
FLOGA	8,941.50
THE SMILE OF THE CHILD	200.00
TOTAL	**7,171,832.00**

Individuals

Number of individuals	Net amount 2019 (in €)
13	192,117.74

Note:

Additional disbursements related to the above payments have been made, in compliance with the existing legislative, fiscal and regulatory framework, for VAT and other charges, amounting to €877,624.67.

Availability of the Annual Financial Report

The Annual Financial Report, which includes:

- Certifications by the Members of the Board of Directors
- The Board of Directors' Report
- The Supplementary Report
- The Independent Auditor's Report
- The Annual Financial Statements
- Disclosures of Greek Law 4261/2014 Art.81
- Disclosures of Greek Law 4261/2014 Art.82
- Disclosures of Greek Law 4374/2016 Art.6

is available on the website address: http://www.nbg.gr