PIRAEUS BANK

2019 ANNUAL FINANCIAL REPORT

For the period from 1 January to 31 December 2019

According to Greek Law 3556/ 2007

March 2020

The attached Annual Financial Report has been approved by Piraeus Bank S.A. Board of Directors on 27 March 2020 and it is available on the web site of Piraeus Bank at www.piraeusbankgroup.com

The information contained in this Annual Financial Report has been translated from the original Annual Financial Report that has been prepared in the Greek language. In the event that differences exist between this translation and the original Greek language Annual Financial Report, the Greek language Annual Financial Report will prevail over this document.

The Annual Financial Report for the year ended 31 December 2019 is available in the Bank's internet site http://www.piraeusbankgroup.com/en/investors/financials/financial-statements

STATEMENT OF ARTICLE 4 PAR. 2 OF LAW 3556/2007

To the best of our knowledge, the Full Year 2019 Financial Statements that have been prepared in accordance with the applicable accounting standards give a fair and true view of the assets, liabilities, equity and income statement of Piraeus Bank and the group of companies included in the consolidated accounts. In addition, the Board of Director's Annual Report for 2019 gives a fair and true view of the evolution, performance and position of Piraeus Bank and the group of companies included in the consolidated accounts, including the description of the main risks and uncertainties that they have to deal with.

Athens, 27 March 2020

Non-Executive Chairman of BoD	Managing Director (CEO) Executive BoD Member	Non-Executive BoD Member
George P. Handjinicolaou	Christos I. Megalou	Solomon A. Berahas

Board of Directors' Annual Report

International Environment and Economic Developments

In 2019, trade policy uncertainty and geopolitical tensions weighed on global economic activity, especially in manufacturing and global trade, during the second half of the year. World output growth rate decelerated to 2.9% from 3.6% in 2018 (IMF, WEO data). Specifically, the growth rate slowed down in both developed economies (1.7% in 2019 from 2.2% in 2018) and emerging economies (to 3.7% from 4.4%). Some indications emerged, toward year-end, that global growth rate may have bottomed out, as phase I of trade agreement between US and China was signed. However, in 2020, the coronavirus outbreak ("COVID-19") is expected to have a negative impact on the global economy. Tourism and supply chain of manufacturing parts have already been disrupted severely as contagion situation is protracted. According to the IMF, the outlook for global growth in 2020 is negative – a recession at least as bad as during the global financial crisis or worse.

In the United States, the Fed proceeded to cut three consecutive times its policy rate (from 2.50% to 1.75%), during the second half of 2019, while the US Gross Domestic Product ("GDP") growth rate decelerated to 2.3% in 2019 from 2.9% in 2018. In March 2020, the Fed unexpectedly proceeded to two further unprecedented emergency rate cuts to 0.25% and reinstated its quantitative easing programme to support the economy as the coronavirus (and measures taken to contain it) are obviously expected to weigh on economic activity.

In Eurozone, the GDP growth rate also slowed down to 1.2% in 2019 from 1.9% in 2018 and the ECB restarted the QE program in November 2019. Specifically, the German manufacturing sector suffered in 2019 due to trade policy uncertainties. The persistence of core inflation rate in low level indicates that the ECB will probably maintain low policy rates for a long period. The ECB, has also responded with a series of measures in order to mitigate the COVID-19 pandemic's effects to the European economy, and announced that it will provide immediate liquidity support to the euro area's financial system, as well as proceed with a € 750 billion Pandemic Emergency Purchase Programme ("PEPP"). Moreover, the Eurogroup decided that nonpermanent deviations of member states from agreed fiscal paths due to unusual events outside their control, such as the effects of the coronavirus pandemic, are acceptable and announced a set of national and European measures to limit the socio-economic consequences of the COVID-19 outbreak, including fiscal spending, liquidity support for firms facing severe disruption and liquidity shortages, support for affected workers, utilising national and European resources.

China's GDP growth rate also slowed down to 6.1% in 2019 from 6.6% in 2018. Apparently, the negative consequences from coronavirus will lead to a severe loss of economic speed during the first half of 2020. Moreover, it raises the uncertainty on the implementation of the phase I of trade agreement, as China should increase imports from the US by $75 billion in 2020 (compared to 2019). According to the recent OECD estimates, (which incorporate the coronavirus impact as at early March 2020) China's growth rate is expected to decelerate to 4.9%.

Developments in the Greek Economy

In 2019, the Greek economy retained its growth momentum, despite domestic challenges and the uncertainty prevailing in the international environment. In 2019, real GDP, sustaining the growth momentum of 2018 (+1.9%) and 2017 (+1.5%), grew by 1.9% on a yearly basis. Exports, investments and final consumption - particularly the public consumption during the first half of the year – all had positive contribution to growth. Additionally, Greece's credit ratings of Greece have improved by the steadily improving economic environment and the completion and exit from the three-year European Stability Mechanism ("ESM") financial assistance programme (the "Third Economic Adjustment Programme") in August 2018. Specifically, Moody's, S&P Global and Fitch have upgraded the Greek sovereign rating, as of the end of February 2020 to "B1" (Stable Outlook), "BB-" (Positive Outlook) and "BB" (Positive Outlook) respectively. Moreover, in 2019 the unemployment rate declined to 17.3% against 19.4% in 2018, with a 2.2% increase in employment on an annual basis. Prices in 2019 grew by only 0.3% (2018: 0.6%), as legislative tax cuts in mid-2019 created deflationary pressures.

Furthermore, in 2019, the current account deficit stood at € 2.6 billion from € 5.2 billion in 2018, mainly due to an increase in the surplus of the services balance and to a shift of the secondary income account from deficit to surplus. The deficit of the primary income account also contracted. Travel receipts and non-residents' arrivals increased by 12.8% (€ 18.2 billion from € 16.1 billion in 2018) and 4.1%, respectively, year-on-year. Moreover, manufacturing, retail trade, services and exports recorded positive trends in the last three years. Finally, in the last two years there has been a strong recovery in the real estate market. Commercial property prices - as illustrated by the Bank of Greece's ("BoG") office price index – increased by 7.2% in 2018 and by 5.4% on an annual basis in the first half of 2019. Residential property prices - the apartment price index of the BoG - increased by 1.8% in 2018 and by 7.2% in 2019. At the same time, net foreign direct investment in Greece in real estate reached € 1.4 billion in 2019, against € 1.1 billion in 2018.

These positive developments have been reflected in the significant compression of the Greek sovereign bond yields, which has decreased to historic lows. This trajectory was abruptly reversed due to COVID-19 pandemic, with spreads widening significantly in March 2020. In this context, the 18 March 2020 decision of the ECB to grant a waiver of the eligibility requirements for Greek government bonds for purchases under the € 750 billion PEPP, is extremely important for easing investor concerns related to the economic risk and effects of COVID-19 and also to enable the Greek State on the implementation of its funding programme.

The COVID-19 outbreak led the Greek government to announce as of mid-March 2020 several measures to alleviate its effects on the Greek economy, and particularly on businesses, professionals and employees, some of them in cooperation with EU institutions. Among others the measures included tax and social insurance cuts or payment postponement for businesses, professionals and employees in sectors that were directly hit by the pandemic, direct compensation payments to affected employees and professionals, various measures for the facilitation of investments, such as loan guarantees and the provision of liquidity to banks in order to facilitate loan granting to businesses.

The country's outlook will depend on the impact the COVID-19 outbreak will have on the global and the European economy. As a result, the GDP trajectory will probably be materially impacted in 2020. According to Bank of Greece preliminary assessment in mid-March 2020, the base case scenario for 2020 is that the Greek economy will remain at a stalemate (0% GDP growth) and possibly move to negative territory, taking into account the negative impact from the COVID-19 pandemic, as well as the countermeasures that have been announced so far.

Developments in the Greek Banking System

The Greek banking system in 2019 experienced various positive developments, such as asset quality improvements through the reduction of the balance of its non performing exposures (NPEs), stabilization of credit growth, expansion of its funding sources and improvement of its liquidity (deposits increase, reduction of dependence on ECB funding), improved profitability, while capital adequacy ratios have remained at satisfactory levels.

With respect to loans of the domestic private sector in the Greek market, their growth in 2019 was negative (-9.4%) with the drop being mainly attributed to the sales of NPE portfolios, with balances as at 31 December 2019 standing at € 153.8 billion (Source: Bank of Greece). However, the annual adjusted rate of domestic private sector financing (after write-offs, reclassifications and FX differences) was close to breakeven in 2019 (-0.5%) from -1.1% in 2018. The change is due to the increase of the business sector financing, while the rate of financing of households remained negative. The net loans to deposits ratio for the Greek banking market further improved to 84.3% as at 31 December 2019 from 94.7% as at 31 December 2018.

As far as liquidity of the Greek banking system is concerned, during 2019 the increase of deposits continued, as a result of the gradual improvement of economic activity and the return of confidence to the banking system. Total deposits in the domestic market (private and public sector) increased by 4.4% during 2019, amounting to € 159.1 billion as at 31 December 2019.

In 2019 and in early 2020, Greek banks accessed the primary debt capital markets, following a long period of absence, with the issuance of Tier 2 securities for the first time after 11 years. Three of the systemic banks have issued € 1.8 billion of Tier 2 bonds in four different new issues since mid-2019. The issuances were assisted by the significant drop in bond yields across international debt markets during 2019 and early 2020, especially in Greek debt. Issuance was also assisted by the improving credit ratings and credit outlooks of both the Greek sovereign and that for Greek banks during 2019 and early 2020. Taking into account the return of the Greek economy to growth and the full abolition of capital controls in September 2019, as well as the gradual return to the debt capital markets, it is anticipated that Greek banks will be in the position to further improve their funding profile and increase their deposit base.

The profitability of Greek banks improved during the course of 2019. According to Bank of Greece data, during the nine months ending 30 September 2019, operating results of Greek banks increased by 5.5% yoy to € 2.9 billion from € 2.8 billion the corresponding period the previous year, mainly due to the reduction of operating expenses by 4.9% yoy, while their operating income was stable yoy at € 5.9 billion, positively affected by rising trading income. Their pre-tax income increased to € 591 million during the first nine months of 2019 from € 413 million the corresponding period the previous year.

A decision that indicates the restoration of confidence to the Greek banking system that could also affect the profitability of Greek banks was taken on 6 March 2020, when ECB repealed the limits on their exposure to Hellenic Republic risk it had set in a previous decision in 2015. As a consequence, Greek banks are allowed to buy unlimited amounts of Greek sovereign debt.

The capital adequacy of Greek banks was satisfactory at the end of September 2019. The CET1 ratio stood at 15.9% and the total capital adequacy ratio at 16.9%, positively affected by improving profitability, the issuance of Tier 2 securities and certain corporate transformations. The measures that the ECB Banking Supervision announced on 12 March 2020, allow banks to operate temporarily below the level of capital defined by the Pillar 2 Guidance (P2G) and the capital conservation buffer (CCB). In addition, banks will also be allowed to partially use capital instruments that do not qualify as Common Equity Tier 1 (CET1) capital, for example Additional Tier 1 or Tier 2 instruments, to meet the Pillar 2 Requirements (P2R), according to CRD V.

Addressing the high level of NPEs continues to be the biggest challenge for the Greek banking system. Since end 2016, the Bank of Greece, in cooperation with the Single Supervisory Mechanism ("SSM") of the ECB set operational targets for the reduction of non-performing exposures of Greek banks, which are accompanied by key performance indicators. In September 2018, new operational targets were submitted by Greek banks to the SSM for the period extending to the end of 2021, which aimed to reduce NPEs to the 20% level gross loans or c. € 50 billion reduction versus 30 September 2018 levels. At the end of March 2019, the Greek banks re-submitted updated estimates for 2021 along with all high NPL SSM banks, aiming to reduce NPEs by an additional € 6 billion compared to the target set in September 2018, targeting an NPE ratio at the end of 2021 lower than 20%. Based on December 2019 data, NPEs have decreased by 16.9% compared to 31 December 2018 (-€ 103.8 billion) and 36.6% compared to March 2016, when NPEs reached their peak, dropping to € 68.0 billion or 40.3% of total exposures.

In March 2020, the EBA announced actions to mitigate the impact of COVID-19 on the EU banking sector allowing more flexibility in the implementation of the EBA Guidelines on management of non-performing and forborne exposures. On top of the introduction of more flexibility on capital buffers that the SSM announced, on 20 March 2020 the supervisor introduced some flexibility on provisioning and NPL formation, in the form of a) flexibility regarding the classification of debtors as unlikely-to-pa when banks call on public guarantees granted in the context of COVID-19, b) preferential prudential treatment in terms of supervisory expectations about provisioning when loans under public guarantees become NPE, and c) the supervisor deploying flexibility when discussing with banks the implementation of NPL reduction strategies. Finally, the ECB recommended that all banks avoid procyclical assumptions in their models to determine provisions, in order to avoid short term spikes in loan loss provisions and risk weighted asset inflation just coming from IFRS 9 models.

During its March 2019 meeting and following a revision during its September 2019 meeting, the ECB announced a new series of seven quarterly TLTRO-III auctions from September 2019 to March 2021, each with a maturity of three years; as such, the TLTRO-III will extend well beyond the TLTRO-II, which mature in June 2020-March 2021. Greek banks are gradually utilizing the TLTRO-III funding facility, while also participated in the additional LTROs conducted on 17 March 2020 to provide immediate liquidity support to the euro area's financial system in response to the COVID-19 outbreak.

To assist attain the goal of the NPE reduction, the institutional framework governing NPL servicing companies has been augmented with the addition of 23 servicing firms currently operating in Greece. The secondary market for NPEs has kick-started with very positive results, with more than 10 transactions being completed or at an advanced stage in one year. Two important secured transactions have already been completed at satisfactory prices, and several transactions have been made in unsecured retail portfolios.

Other significant developments that are expected to play key role in the Greek banks' NPE management efforts during 2020 are:

- new guidelines introduced by the ECB to address the stock as well as new NPEs in a phased-in fashion;
- the execution of HAPS (Hellenic Asset Protection Scheme), also called "Hercules" plan, which is expected to assist banks in reducing their NPEs, through securitizations of which the senior tranches will bear Government's guarantee. To that extent, Greek banks have already announced plans to securitize NPEs with a total gross book value of c. € 30 billion;
- a new legislative framework on insolvency that is expected to be passed into law, which oversees the restructuring and bankruptcy process for all private debt to authorities, social security, banks etc.

Due to the outbreak of the COVID-19 pandemic and its possible effects on the economy and banks, the EBA announced on 12 March 2020 that it will postpone the EU-wide stress test until 2021 to allow banks to focus on and ensure continuity of their core operations, including support for their customers.

Piraeus Bank Developments

2019 was a year of multiple achievements for Piraeus Bank. The Bank returned to profitability, completed its 2018 capital enhancement plan and further enhanced its capital position through the issuance of subordinated Tier 2 debt. In the asset quality front, the Bank launched a strategic partnership with Intrum on NPE servicing. At the same time, the Group is in the preparatory phase to proceed to securitizations of NPEs worth € 7 billion. On an institutional level, the year was characterized by the completion of the commitments under the Bank's revised Restructuring Plan.

The most important corporate events for the Group during 2019 and up to the publication of the 2019 Annual Financial Report, were the following:

- On 8 March 2019 Moody's Investors Service affirmed Piraeus Bank's long-term deposit rating at "Caa2", while the outlook was changed to positive from stable.

- On 3 June 2019 Piraeus Bank announced a long-term strategic partnership with Intrum ("Intrum Transaction") for the management of NPEs and REOs through the establishment of a market-leading independent non-performing assets servicing platform in Greece.

  The agreement valued the platform at € 410 million. Total purchase price consideration for Intrum's acquisition of 80% of the platform was agreed at € 328 million of which a nominal value of € 32 million is contingent on the future performance of the business within a three-year time horizon.

  On 23 October 2019 the agreement was concluded. An 80% shareholding plus one share of the share capital of each of the new servicer company and the REO company established on 16 September 2019 and 6 September 2019 respectively was transferred to Intrum, while Piraeus Bank retained a 20% shareholding less one share. Following the conclusion of the transaction, the Bank exercises significant influence over both companies which are be accounted for as associates and are consolidated in the Group's financial statements with the equity accounting method.

- On 10 June 2019 Piraeus Bank reached an agreement with an entity affiliated with Davidson Kempner Capital Management LP, for the sale of corporate NPEs, amounting to € 507 million gross book value for a consideration of € 240 million. The transaction was completed in July 2019.

- On 19 June 2019 Piraeus Bank successfully completed the book building process for the issuance of 10NC5 dated subordinated notes amounting to € 400 million, by Piraeus PLC under this Programme. The Notes were placed in the international debt capital markets, while demand for the transaction stood at approximately € 850 million, with 135 investors placing orders as part of the book building process. The coupon of the issue has been set at 9.75% and the settlement date was 26 June 2019.

- During 2019, efficiency targets relating to the FTEs reduction achieved through Voluntary Exit Schemes ("VES"), which received applications for participation from 338 employees of the Bank and its subsidiaries in Greece. The termination of the employment for some of these employees was concluded in 2020.

- On 25 July 2019 Mr. Theodore Gnardellis was appointed as Piraeus Bank Group Chief Financial Officer, an Executive General Manager role, and member of the Bank's Executive Committee.

- On 28 October 2019 the Notes of the Estia Mortgage Finance I Plc Securitization (Estia I) were redeemed early on their interest payment date, at their respective principal amount outstanding plus accrued interest, for the total remaining amount of € 82.9 million – out of which the largest part was retained by the Bank, whereas € 9.6 million were held by investors. The redemption was related to the continuous improvement of liquidity conditions and cost of funding of Piraeus Group and aimed to reduce operating costs and release mortgage loans from encumbrance, as they can be utilised in the Bank's covered bond programmes (which can be used as collateral to raise liquidity from the ECB at a lower cost).

- On 31 October 2019 Piraeus Group Finance PLC (the Issuer) and Piraeus Bank (the Guarantor) gave notice to the holders of the 2019 Notes that from the date thereof the Guarantor was to be substituted in place of the Issuer as issuer and principal debtor in respect of the Notes.

- On 8 November 2019 S&P Global affirmed its 'B-' long term rating on Piraeus Bank, while revising the outlook to positive from stable.

- Piraeus Insurance Agency S.A. (the "Company" or "PIA"), a 100% subsidiary of Piraeus Bank (the "Bank"), has been offering insurance solutions covering both life (life, health, pension) and non-life (motor, property, liability, personal accident) segments since 2007. The Company leverages the Bank's distribution network and the bancassurance agreements with NN Hellas and ERGO and offers quality services to Bank's clients. Following the recent ratification of the new law (L.4583/2018) that incorporates the new Insurance Distribution Directive (EU Directive 2016/97) and considering the need to rationalize the existing bancassurance structure, on 21 November 2019 the Bank's Board of Directors approved the initiation of the process for the transformation of the existing structure of the Bank's bancassurance business. Such transformation contemplates the demerger of Piraeus Insurance Agency S.A. and the provision of bancassurance services by a new bancassurance unit of the Bank and a subsidiary of the Bank. The transformation is envisaged to be completed within the first half of 2020.

- On 22 November 2019, Mr. George Georgakopoulos resigned from his position as Executive Member of the Bank's Board of Directors, following his appointment as Chief Executive Officer in the Société Anonyme "Intrum Hellas Societe Anonyme Management of Receivables from Loans and Credits". The Bank's Board of Directors will continue to function in a ten–member composition, pursuant to article 9 of its Articles of Association, as in force, until the completion of the replacement process as prescribed by the legislative and regulatory framework.

- On 27 November 2019 the notes of the Estia Mortgage Finance II Plc Securitization (Estia II), were redeemed early on their interest payment date, at their respective principal amount outstanding plus accrued interest, for the total remaining amount of € 527.6 million – out of which the largest part was retained by the Bank, whereas the remaining € 28.3 million were held by investors.

- On 2 December 2019, Piraeus Bank paid € 165 million in cash to the HFSF for the 2019 coupon of the Contingent Convertible Instruments ("CoCos") issued by the Bank and held by the HFSF.

- On 18 December 2019, the Board of Directors of the Bank elected Mr. Periklis Dontas as Non-Executive Member, HFSF Representative, in replacement of Mr. Per Anders Fasth, following a letter from the HFSF, dated 28 November 2019 and in accordance with the provisions of Law 3864/2010.

- On 27 December 2019, the notes of the AXIA III Finance Plc Securitization (AXIA III) were redeemed early on their interest payment date, at their respective principal amount outstanding plus accrued interest, for the total remaining amount of € 235 million. The total amount was retained by the Bank.

- On 3 February 2020, Piraeus Bank, building on the successful completion of its "Agenda 2020" strategy, affirmed its commitment to "Agenda 2023" with the following aspirations:

  De-risking: Piraeus Bank will decisively continue de-risking its balance sheet, while stepping up its pace with the strategic direction to reach a single-digit NPE ratio by 2023. Two key inorganic NPE transactions are scheduled to take place: "Vega" for an amount up to € 5 billion gross book value, along with "Phoenix" for an amount up to approximately € 2 billion gross book value.

  Growth: by deepening the existing client relationships, Piraeus Bank will focus on leveraging the competitive advantages of its business in Greece.

  Simplification: Piraeus Bank will decisively maximise its resources efficiency. This will be achieved through a simplified structure, further operational cost rationalisation measures, as well as further optimisation and automation of internal processes.

  As part of such simplification Piraeus Bank may decide to proceed with a hive-down (the "Hive-Down") of selected operations as a credit institution and all or certain of its assets and liabilities inherent or relevant thereto to a new licensed credit institution ("New Piraeus Bank") that would be a wholly-owned subsidiary of Piraeus Bank. However, no approval (whether from the Board of Directors of Piraeus Bank or otherwise) has been obtained for any such Hive-Down as of the date of publication of the Board of Directors Report. If a Hive-Down is so approved and implemented in the future, Piraeus Bank is expected to continue to exist as a listed entity but would become a holding company whose main asset would be 100 per cent. of the shares of New Piraeus Bank. Even if Piraeus Bank's Board of Directors were to approve a Hive-Down (whether on those terms or on different terms), further approvals (including, without limitation, all applicable regulatory approvals) would be required to effect and complete the Hive-Down.

- On 19 February 2020, Piraeus Bank issued a Tier 2 Note of nominal value of € 500 million with institutional investors bearing an annual fixed interest rate of 5.5% for the first 5 years and thereafter has a one-time reset at the prevailing 5 year mid swap rate, plus 577.4 basis points. The bond has a maturity of 10 years, an embedded issuer call option after 5 years (10NC5) and is listed on the Luxembourg Stock Exchange. The final order book was in excess of € 4 billion from more than 350 investors. The issuance increases the Bank's total capital ratio by approximately 110 bps.

- On 21 February 2020, Piraeus Bank entered into an exclusive strategic collaboration agreement with ORIX corporation, for the provision of financing solutions to the Greek maritime sector. The collaboration agreement is aiming to provide Piraeus Bank's shipping clients with a wider selection of financing instruments and additional financing where necessary.

- On 27 February 2020, Piraeus Bank activated a plan in cooperation with National Organization of Public Health (EODY) to address any COVID-19 issue. Following the relevant protocol, the Bank has set in motion its Business Continuity Plan, taking among others measures such as proactively segregating critical Bank units, avoiding meetings with physical presence and activating remote access office capabilities for critical personnel.

- On 6 March 2020, Piraeus Bank received ECB's decision to repeal the limits on the Bank's exposure to Hellenic Republic risk, imposed in 2015.

- On 11 March 2020, Kion Mortgage Finance PLC Securitization announced the intention to redeem all Notes of each class (Class A, B, C) at their respective Principal Amounts Outstanding together with accrued interest on the Interest Payment Date falling on 15 April 2020.

- On 12 March 2020, the ECB Banking Supervision announced measures that allow banks to operate temporarily below the level of capital defined by the Pillar 2 Guidance (P2G) and the capital conservation buffer (CCB). In addition, banks will also be allowed to partially use capital instruments that do not qualify as Common Equity Tier 1 (CET1) capital, for example Additional Tier 1 or Tier 2 instruments, to meet the Pillar 2 Requirements (P2R).

- On 13 March 2020, Piraeus Bank was informed by the Single Supervisory Mechanism that due to the uncertainty of the economic outlook, the submission of the 2020 NPL Strategy update is postponed.

- On 16 March 2020, Mr. George Georgopoulos was appointed as General Manager of Group Human Resources.

- On 18 March and 25 March 2020, Piraeus Bank raised a total of € 2.0 billion in ECB's additional temporary LTRO auctions conducted to provide immediate liquidity support to the euro area's financial system as a mitigating measure against the effects of COVID-19.

- On 20 March 2020, the ECB Banking Supervision announced further measures to ensure that its directly supervised banks can continue to fulfil their role to fund households and corporations amid the coronavirus-related economic shock to the global economy. 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 coronavirus. 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. Third, 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. Lastly, the ECB recommended that all banks avoid procyclical assumptions in their models to determine provisions and that those banks that have not done this so far opt for the IFRS 9 transitional rules.

- On 25 March 2020, the European Banking Authority (EBA) released a statement on the application of the prudential framework regarding Default, Forbearance and IFRS9 in light of COVID-19 measures. The EBA supports the measures taken and proposed by national governments and EU bodies to address the adverse systemic economic impact of the COVID-19 pandemic in the form of general moratorium, payment holidays stemming from public measures or industry-wide payment relief initiatives taken by credit institutions. In this regard, the EBA sees the need to clarify a number of aspects on the functioning of the prudential framework, with the aim to provide clarity to the EU banking sector on how to handle in a consistent manner, aspects related to (i) the classification of loans in default, (ii) the identification of forborne exposures and (iii) the accounting treatment. Recent facts and circumstances around COVID-19, during the first quarter of 2020, so far suggest that in 2020, global and Greek economic growth is expected to be negatively impacted by the pandemic outbreak and the resulting disruption of economic activity, which could primarily impact specific lending portfolios through higher than expected ECL allowances and potential impairment of assets. Due to the ongoing developments of COVID-19, the measurement of its financial effect on the financial position of the Group and the Bank, cannot be, currently, reasonably estimated.

- On 27 March 2020, S&P Global affirmed its 'B-' long term rating on Piraeus Bank, while revising the outlook to stable from positive.

Organisational Structure of the Piraeus Bank Group

The Group manages its business through the following reportable segments:

Retail Banking – includes Mass, Affluent, Private Banking, Small Businesses, and Public core customer segments as well as Channels.

Corporate Banking – includes Large Corporates, Shipping, SME and Agricultural core customer segments.

Piraeus Financial Markets ("PFM") – includes the Fixed Income, Foreign Exchange, Treasury activities (including the management of the interest rate gap resulting from all banking activities) and Institutional Clients.

Other – includes all management related activities not allocated to specific customer segments and all funding transactions approved by the Group Asset Liability Committee ("ALCO"). Following the most recent segmental architecture changes, this reportable segment now includes the management of REO, non-client related Group's equity participations and international banking.

Post completion of the Intrum Transaction, Management established an NPE Management Unit ("NPEMU"), with the overall responsibility of managing the Group's domestic NPE portfolio and consequently revised the Group's segmental architecture, as follows:

a) The non-core part of REO and Group's equity participations as well as the international banking, were spinned-off from the Piraeus Legacy Unit ("PLU") reportable segment and recognized, along with the core part, as distinct segments. The quantitative thresholds of IFRS 8 are not exceeded, hence the entirety of these segments is presented within the "Other - Core" reportable segment.

b) The PLU, which following the aforementioned change consisted solely of the NPE management function, was transposed to NPEMU.

The comparative segment information as at and for the year ended 31 December 2018 has been restated to be comparable with the new segmentation.

NPEMU –Includes the management of any NPE lending exposures assessed as non-core business, irrespectively of whether the said exposures are serviced by the Group or third parties. The accrued fees payable to Intrum Hellas Credit Servicing S.A. for servicing the Group's NPE portfolio are recognized within this reportable segment.

Evolution of Volumes and Results of Piraeus Bank Group during 2019

Piraeus Bank has a systemic position in the Greek banking market in terms of total assets amounting to € 61.2 billion as at 31 December 2019, deposits (29.5% market share) and loans and advances to customers at amortised cost (29.0% market share, with 31.6% in business lending). Savings deposits constitute 35.2% of the total domestic deposits of the Bank with time deposits at 38.1% and sight deposits at 27.0%. Business deposits correspond to 27.4% of the total deposit base at Piraeus Bank Group with retail deposits at 72.5%. Piraeus Bank's Group loan book consists of corporate (63.9%), mortgage (27.7%) and consumer, personal & other loans (8.4%). The Bank holds the most extensive footprint in Greece with 527 branches (plus another 20 branches in 3 countries abroad) and a wide customer base of 5.5 million active customers. The branch network in Greece was reduced by 26 units during 2019 as a result of the rationalisation plan. At the same time (31 December 2019), the Group's headcount totaled 11,555 employees in the continuing operations, of which 11,137 were employed in Greece (-960 from a year earlier, mainly from the sale of the Recovery Banking Unit). The aforementioned figures have been adjusted in respect of 60 full time equivalent employees ("FTEs"), in order to reflect the Bank's intent to outsource specific activities.

The free float on the Bank's share capital is high with c.27k common shareholders, holding 73.6% of the Bank's common equity, while the HFSF holds a 26.4%.

Profitability improved compared to 2018, mainly on the back of efficiency gains. Further improvement in liquidity and funding was also evident, as the Bank managed in just more than a year post the full abolition of capital controls to meet the regulatory requirements for both Liquidity Coverage Ratio and Net Stable Funding Ratio.

Balance Sheet

Regarding the financial position of Piraeus Group as at 31 December 2019, total assets amounted to € 61.2 billion compared to € 61.9 billion as at 31 December 2018.

Customer deposits of the Group continued to recover for another year, reaching € 47.4 billion as at 31 December 2019, posting an increase of 5.8% compared to 31 December 2018. This increase is solely attributable to the Group's activity in Greece. The declining trend in time deposits' cost continued during 2019, with new time deposits' cost at 0.3% in the Q4 2019 versus 0.6% a year earlier.

	Selected Balance Sheet Figures		
	31/12/2019	31/12/2018	YoY
Gross Loans	50,148	53,091	-5.5%
Less: Expected Credit Loss (ECL) Allowance	(10,986)	(13,333)	-17.6%
Net Loans	39,162	39,757	-1.5%
Financial Assets	3,613	3,054	18.3%
Other Assets	18,456	19,069	-3.2%
Total Assets	**61,231**	**61,880**	**-1.0%**
Due to Banks	3,296	5,548	-40.6%
Customers deposits	47,351	44,739	5.8%
Other Liabilities	2,811	4,087	-31.2%
Total Liabilities	**53,458**	**54,374**	**-1.7%**
Total Equity	**7,773**	**7,506**	**3.6%**

Utilisation of the Eurosystem funding was significantly reduced in 2019, to € 350 million as at 31 December 2019 from the level of € 3.2 billion as at 31 December 2018, due to the deleveraging of the loan portfolio and the further increase of customer deposits base. Interbank repo funding reached € 2.4 billion as at 31 December 2019, from € 2.2 billion as at 31 December 2018. Funding from debt securities, increased through the issuance of € 400 million Tier 2 bonds in June 2019.

Gross loans as at 31 December 2019 amounted to € 50.1 billion, of which € 1.5 billion was related to the disbursement of an agri-loan towards OPEKEPE for the distribution of European Commission subsidies towards approximately 700 thousand farmers (which was repaid in February 2020). Net loans stood at € 39.2 billion as at 31 December 2019, with the Group's seasonally adjusted net loans to deposits ratio at 79.2% (excluding seasonal OPEKEPE loan), having improved from 31 December 2018 (85.3%). New loan disbursements in 2019 for the Bank amounted to € 4.0 billion in 2019 from € 3.1 billion in 2018. Most new loans were directed to businesses.

	Selected Asset Quality Figures	
	31/12/2019	31/12/2018
NPEs	24,470	27,331
NPEs Bank	24,004	26,183
NPLs	16,815	17,403
NPLs Bank	16,302	16,756

The Group's gross loans in arrears over 90 days ratio (NPLs) was 33.5% as at 31 December 2019 from 32.8% as at 31 Decembe2018. Respectively, the NPEs over total gross loans ratio for the Group stood at 48.8% as at 31 December 2019 from 51.5% as at 31 December 2018, declining due to the continuous efforts of the group to improve its asset quality, while the Group NPE coverage ratio of loans by ECL Allowance stood at 44.9% as at 31 December 2019 from 48.8% as at 31 December 2018.

It is worth noting that NPLs declined to € 16.8 billion as at 31 December 2019 from € 17.4 billion as at 31 December 2018, while NPEs declined to € 24.5 billion from € 27.3 billion at the respective dates.

As part of the submission of operational targets for asset quality to both ECB and Bank of Greece, Piraeus Bank has committed to reduce its NPEs and NPLs, between September 2018 and December 2021, by approximately 52% (at the parent level), while at the end of March 2019 Piraeus Bank and the three other systemic Greek banks re-submitted updated estimates for 2021 along with all high NPL SSM banks. In mid- March 2020, Piraeus Bank was relieved from the submission of the 2020 NPL Strategy update, due to the uncertainty of the economic outlook related with COVID-19.

The Bank's overall strategy in managing NPEs is to achieve a balance between ambitious NPE reduction and managing the stock of NPEs in such a way to create value in the longer term:

- one of the challenges in decreasing our NPEs is to optimize between present value of our receivables and future value given the upside that the macro recovery will bring into the picture. As a result, our target of decreasing NPEs is going hand in hand with our target of maximizing shareholders value;
- the Bank recognises its duty to support the real economy by providing continued funding to viable companies and individuals;
- a third element of the plan is the utilisation of HAPS as a mechanism to reduce NPEs and return the Bank's balance sheet to a normalisation phase. Engagement in the securitisation schemes is further facilitated through the Bank's recent strategic partnership with the biggest servicing platform in Greece.

These principles determine the Bank's strategic priorities in response to the financial constraints currently in place:

- provide as many as possible long-term viable solutions that will take customers back to the performing book and at the same time maintain options to take a share of the future upside;
- proceed with resolution for non-viable or uncooperative customers/businesses when it is clear that restructuring is not a viable option, thus enabling the Bank to preserve its value;
- proceed carefully with write-offs either as part of the restructuring solution on justifiable cases or following the exhaustion of legal actions;
- support businesses and individual borrowers whose businesses suspended operations by virtue of the Greek government's emergency measures to contain the covid-19 pandemic.

  Given the above, the Bank assesses a number of alternatives, such as the engagement in servicing platforms, and sales.

Profit & Loss

The Group's net interest income amounted to € 1.4 billion in 2019 posting a slight increase (+1.8%) compared to 2018 due to the reduction in the cost of funding (lower customer deposit and interbank funding rates) and higher rates in new loan disbursements, despite asset deleveraging. Net fee and commission income amounted to € 318 million in 2019, 6.2% lower than 2018 due to an extraordinary quality commission of € 48 million in general insurance the Bank earned in 2018. Other income amounted to € 421 million in 2019 versus € 133 million in 2018, mainly due to the € 351 million gain from the Intrum transaction in Q4 2019.

Total net income for 2019 amounted to € 2.2 billion from € 1.9 billion in 2018. Excluding the one-off gain of € 351 million from the Intrum transaction, net income in 2019 reached € 1.8 billion. The Group's total operating expenses before provisions in 2019 stood at € 1.0 billion, compared to € 1.2 billion in 2018, as a result of the cost of year 2018 Voluntary Exit Scheme ("VES") being significantly higher than the corresponding figure in 2019. Excluding the VES cost and other offsetting cost adjustments, total operating expenses amounted to € 1.0 billion in 2019, a reduction of 5.6% versus the previous year respectively.

As a result of the above, Group's profit before provisions, impairments and income tax for the year 2019 amounted to € 1.2 billion, compared to € 0.7 billion in 2018. The results of 2019 were burdened by ECL impairment charge on loans amounting to

€ 0.7 billion, compared to € 0.5 billion in 2018. In addition, other assets were impaired by € 62 million in 2019 from € 108 million in 2018.

The Group's profit before income tax in 2019 amounted to a gain of € 389 million from € 80 million in 2018, while profit from continuing operations attributable to equity holders of the Bank amounted to € 270 million in 2019 comparable to a profit of € 185 million in 2018.

	Selected Profit & Loss Figures		
	31/12/2019	**31/12/2018**	**YoY**
Net Interest Income	1,435	1,410	1.8%
Net Fee & Commission Income	318	339	-6.2%
Other Income	421	133	216.5%
Total Net Income	**2,174**	**1,882**	**15.5%**
Staff Costs	(504)	(616)	-18.2%
-excl. VES costs	(468)	(462)	1.3%
Administrative Expenses	(387)	(441)	-12.1%
Depreciation & Other Expenses	(123)	(103)	19.4%
Total Operating Expenses Before Provisions	**(1,013)**	**(1,161)**	**-12.7%**
-excl. VES costs	(977)	(1,007)	-3.0%
Profit Before Provisions, Impairment and Income Tax	**1,161**	**721**	**61.0%**
ECL Impairment losses on loans and advances t customers at amortised cost	(710)	(532)	33.5%
Impairment on Other Assets	(62)	(108)	-42.6%
Pre Tax Result	389	80	-
Income Tax Benefit / (Expense)	(123)	(93)	-
Profit/ (Loss) for the Year	**276**	**(171)**	-
Profit / (Loss) for the Year Attributable to Equity holders of the Bank (from Continuing Operations)	**270**	**185**	**45.9%**
Profit / (Loss) for the Year (from Discontinued Operations)	**10**	**(344)**	**-**

Capital

As at 31 December 2019, the Group's total equity amounted to € 7.8 billion from € 7.5 billion a year earlier, due to current year profits. The Group's Basel III total capital adequacy ratio (TCR) stood at 14.92% on 31 December 2019 and the Common Equity Tier 1 (CET 1) ratio at 14.05%, covering the Overall Capital Requirement ("OCR") level for 2019. The respective figures for 2018 were 13.65% for both CET 1 and TCR. The increase can be mainly attributed to the enhancement of organic capital generation, as well as the issuance of Tier 2 bonds in June 2019 (which strengthened by circa 80bps the total capital ratio). The Group's Basel III pro-forma total capital adequacy ratio, including the profits for 2019, stood at 15.60% (CET 1 ratio 14.73%). The pro-forma TCR of the Group increases to 16.70%, including both the 2019 profits and the € 500 million Tier 2 issuance in February 2020.

The amount of deferred tax assets included in the Group's regulatory capital in accordance with the provisions of Greek Laws 4172/2013, 4302/2014, 4340/2015, as of 31 December 2019 was € 3.9 billion. The Group's fully loaded TCR stood at 12.17% from 10.66% a year ago (14.00% including the 2019 profit and the February 2020 Tier 2).

Following the conclusion of the SREP (Supervisory Review and Evaluation Process), the ECB informed Piraeus Group of its

Overall Capital Requirement ("OCR"), valid for 2020 (not taking into account COVID-19 mitigating measures). According to the decision, the Group would have to maintain an overall capital requirement ratio ("OCR") of 14.25%, which included: (a) the minimum Pillar I total capital requirements of 8.00% as per article 92(1) of Regulation 575/2013/EU; (b) the additional Pillar II capital requirement of 3.25% as per article 16(2) of Regulation 1024/2013/EU; (c) the fully loaded capital conservation buffer of 2.50% as per Regulation 575/2013/EU, and (d) the transitional Other Systemically Important Institutions ("O-SSI") capital buffer of 0.50% under Greek Law 4261/2014.

The spread of the COVID-19 has proven to be an unprecedented challenge both on a global and on a European level. On March 12th, 2020, the ECB announced several measures to address the adverse economic effects resulting from COVID-19 on banks under its supervision. Among these measures, the ECB will allow banks to operate temporarily below the level of capital defined by the Pillar 2 Guidance (P2G) and the capital conservation buffer (CCB). Banks will also be allowed to partially use capital instruments that do not qualify as Common Equity Tier 1 (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).

Share Capital

On 31 December 2019, the share capital of the Bank amounted to € 2,617 million divided into 436,659,164 ordinary shares bearing a voting right and at a nominal value of € 6.00 each. Common shares of Piraeus Bank are intangible, registered and listed on Athens Exchange.

The number of the outstanding shares of the Bank, is the following:

Number of outstanding common shares owned by the HFSF / Percentage of total share capital	115,375,400	26.42%
Number of outstanding common shares owned by private investors / Percentage of total share capital	321,283,764	73.58%
Total number of outstanding common shares / Percentage of total share capital	436,659,164	100.00%

Pursuant to par. 1, art. 16C of Greek Law 3864/2010 the acquisition of treasury shares by the Bank is not permitted, without the approval of HFSF, for as long as the HFSF is a shareholder of the Bank. The purchases and sales of treasury shares during 2019, as well as the treasury shares owned as 31 December 2019, are related to transactions that are carried out by the Group's subsidiary Piraeus Securities S.A. through its activities, which are derived from its role as a market maker. As at 31 December 2019 Piraeus Securities held 162,022 of Bank's common shares, of total nominal value € 972,132.

Going concern conclusion

Management has concluded that the financial statements of the Group and the Bank have been appropriately prepared on a going concern basis as of 31 December 2019 taking into account:

a) The significant positive developments (fiscal discipline, GDP growth recovery, liquidity restoration, real estate prices recovery) that have taken place in the Greek economy during recent years and the credit expansion witnessed in the corporate sector during 2019;

b) the Group's improving liquidity position which is reflected in the stabilization of the loan to deposits ratio at satisfactory levels and the restoration of the liquidity coverage ratio and the net stable funding ratio above minimum regulatory requirements, including zero reliance on Emergency Liquidity Assistance "ELA" since July 2018, and diversified sources of funding;

c) the upward trend in the Group's profitability from continuing operations;

d) the improved capital adequacy of the Group deriving from the issue of a fixed rate subordinated Tier 2 note of nominal value € 400 million and € 500 million in June 2019 and in February 2020 respectively, as well as the gain before tax of € 351 million from the disposal of the Bank's Recovery Banking Unit business to Intrum Holding Spain S.A.U. (the Intrum transaction) that was completed in October 2019, in conjunction with the Capital Strengthening Plan executed in the 2018-2019 period;

e) the measures taken by the European Commission, the ECB and the SSM in March 2020 to mitigate the effects of COVID-19 in European member state economies, in the firms facing disruptions along with the temporary capital and operational relief measures for European banks; and

f) the measures taken by the Greek government and the Hellenic Bank Association's members to mitigate the effects of COVID-19 pandemic in affected lenders.

The basis for conclusion is presented in Note 2.2.

Implementation of the Restructuring Plan

Piraeus Bank, received on 31 January 2020 the official DG Comp verification for the completion of the Piraeus Bank Restructuring Plan period. This decision, highlights the successful exit from the six-year monitoring period in which Piraeus Bank accomplished to execute on time the 27 Commitments on Corporate Governance and Commercial Operations and the 13 Restructuring Plan Commitments in an extremely strict timeframe.

Non-Financial Information 2019 (Greek Law 4403/2016)

Group Human Resources ("HR")

Embedding our new corporate values and culture

After reaching the point of a broader recognition of our new corporate values in 2018, Piraeus' objective is the elaboration of a set of activities to exemplify the new mindset and connecting it to business impact. Major initiatives include:

Breakfast with Leaders: The CEO and Executive Committee ("ExCo") members meet with employees in an informal context to share strategic directions and values. The 3rd meeting cycle March-June completed, 18 breakfast meetings, 210 participants (>640 hc in total).

Culture Pulse Check: By conducting regular and effective pulse surveys we increase employee awareness & engagement, enhance feedback culture and monitor progress on culture transformation. The survey had an 81% participation rate, Greek subsidiaries included.

Culture Pulse Check Results: The survey results indicate that employees today are much more engaged. There is a feeling that the last 15 months have made progress on adopting new values and a common culture is under way, critical to the journey ahead. The areas where more work needs to be done are in improving meritocracy, communication and collaboration.

Communicate the results internally & involve employees in the action planning. Top down & bottom up approach:

- **leaders cascading** through their regular meetings
- **Focus Groups,** through which people in cross-functional teams discuss how they perceive the results and contribute with ideas in the action planning process. So far, the numbers sum up 41 sessions with 480 participants (320 central units/160 branch network) across the Bank.

Culture Survey Results & Focus groups | **Action plan:** A targeted action plan designed to regain and accelerate progress in culture integration via 8 pillars/16 projects. Both focus groups key outcomes and action plan presented and approved by ExCo. Projects' implementation will be completed in 2020 with ExCo members' sponsorship and HR coordination. A presentation of focus groups results & action plan uploaded at intranet in September '19 to inform all employees.

Risk Culture survey - shared target with Group Risk Management. The 1st risk culture survey rolled out in April 2019 (18-25/4) to measure risk awareness in Piraeus Bank via 4 key pillars which identified by the Financial Stability Board: Tone from the top, Accountability, Effective communication & challenge, Incentives). Results overview & key messages presented to ExCo and a roadmap of actions designed aiming to strongly exemplify the desired behaviors and routines.

Communication campaigns were designed and scheduled in order to promote Group HR practices and policies, strengthen open communication culture, inform and educate our people. Become & Achieve, our approach for performance management, Job Family Model and Culture Surveys are some of the initiatives supported during 2019.

PEOPLE ONLINE 30' was introduced as a new 30 minutes communication initiative among the CEO, Group HR management team and senior executives reinforcing alignment and engagement of senior management. 8 PEOPLE ONLINE 30' calls have been conducted during 2019.

Professional Development Framework

The implementation of the **Job Family Model ("JFM")** is expected to create dual career paths, enhance internal mobility, lay the foundations for a more structured approach in promotions, based on enriching/increasing accountabilities and competencies, and create a more competitive compensation and benefit package, to retain talent.
Six (6) "job families" were defined and developed, with identified purpose and indicative tasks for each role within the family. With the active participation of cross-functional representatives from the Bank and out of approximately 3,000 positions in the Organization, 700 distinct roles were initially identified and were further harmonized and consolidated to 450, irrespective of the Organizational structure. As part of JFM framework, three (3) distinct types of roles were identified to reflect the necessary skills, knowledge and attributes. In addition, for each role within each family, the level of complexity was identified based on specific criteria captured in a single hierarchical structure to lead to a leaner organization. The people mapping process with view to the JFM is in progress and will be completed by the first quarter of 2020.
Following the JFM design phase, a new Core Competency Model ("CCM") was developed through a sound methodology of workshops, visionary and validation interviews, to provide a behavioral framework of the Piraeus 'How' element of work. Basic component of CCM design was to ensure that Piraeus bank's behavioral context is linked to high performance and values. The model unfolds 6 core competencies and 1 for leadership roles, which is configured to 4 professional maturity levels.
The JFM has been designed in order to be directly linked to all core HR policies and procedures. With reference to the awareness communication plan about the new approach, eight (8) sessions for managers have already been held.

During the upcoming period, all employees will be called to 1:1 meeting with their manager in order to be informed about their role, level and Job Family they belong to.

With regards to the provision of equal opportunities and employee mobility, the Bank covers the staffing needs, initially by utilizing internal candidates. In order to ensure the transparent and objective assessment in the selection process, tools such as job simulation tests, aptitude tests and personal interviews are used. For 2019, internal transfers covered 84% of the total staffing needs. Anticipating the application of JFM Model the percentage of promotions reached approximately 3% in 2019 from 12.6% in 2018, mainly for retention purposes and strategic organizational needs.

In the context of supporting VES participants, additional benefits were formulated on the basis of socially responsible options, supporting employees' next career path, covering the nursery allowance and retaining the medical insurance for a long period after the separation date.

Regarding the right of employees to form and participate in trade unions, six employee unions are operating in the Bank representing approximately 87% of employees. In October 2019 the collective employment agreement signed between the Bank and its employees' representative union was extended until January2020.

People Development Actions

Become & Achieve, the People Performance Management ("PPM") for all hierarchical levels launched in April 2018, which encourages open communication and feedback culture, through regular performance dialogues, check in's and team & peer feedback. The PPM is aligned with the Bank's strategic objectives and culture and it is based on three main principles: high performance, accountability and trust. The high levels of employees' participation in the process (over 95%) conveys a positive signal that the desired change is well accepted by employees at all levels.

In the same context, performance management is linked with people development. The Individual Development Plan ("IDP") is a flexible tool for employee development to enhance performance, promote a growth mindset across the organization, and increase the level of employee engagement. Within IDP functionality, every employee, in collaboration with his/her manager sets a main developmental goal and selects specific, result-oriented actions, through Bank's learning & development suite, in order to achieve it. More than 2.600 employees have already started designing their IDP.

Learning & Knowledge Sharing

Our commitment is to ensure that people have the right skills, knowledge and competencies to achieve their objectives and drive business results in full alignment with corporate values and the strategy of the Organization.

On average, Bank employees received 40 hours of training, slightly higher than 2018 (38). The number of participations has increased in 2019 with a total of 101,918 participations +10 % compared to 2018, resulting in a total of 449,105 learning hours.

Banking & Business accumulated 77% of total participations. The content areas with the largest share of man-hours were products, finance, credit, accounting, systems (65%) and mandatory, regulatory, compliance (29%) followed by code of conduct and ethics (4%) and role inductions (2%). This year, a digital gamified program was introduced to reinforce awareness in Bank's Code of Conduct & Ethics and strengthen corporate values.

Leadership Development has made up more than 9% of total participations. It is a critical area with an emphasis on trust, influence, engagement and performance. However, the nature of what needs to be covered in developing collaborative leadership and frontline leaders and on how to create dynamic teams will further evolve to include the new competency and talent framework.

People Skills ranked third with 8% of total participations. Interpersonal skills (such as communication and teamwork), customer excellence and extraordinary productivity workshops were offered to enhance people's capabilities and bridge skill gaps linked to their roles.

Workplace Wellbeing accounted for 6% of total participations and focused on health and safety, human rights, and employees' wellbeing.

Ethical and Sustainable Workplace

Respect for the equal opportunities principle transpires all human resources' management policies, focusing on equal opportunities and respect within the working environment. The Human Rights Policy is available to all employees through the internal communication channel, while the principles of Human Rights policy are published on the Group's corporate website. In order to ensure that all employees are aligned with the Bank's purpose, values and principles and to foster actions and behaviors that promote an ethical culture, the Bank provides a Code of Conduct & Ethics that is fully aligned with its corporate culture and principles. At the same time, it is in line with the Code of Banking Ethics (published by the Hellenic Banking Association), and the Group's Regulatory Compliance Policy and Principles. The Code of Conduct & Ethics applies to all employees across the Group with emphasis on the principles of responsibility, meritocracy & transparency and is available in the internal website of the Bank & HR Portal and to all stakeholders through the corporate site of the Group. Moreover, during hiring, all new employees are informed regarding the Bank's Code of Conduct & Ethics and sign a solemn declaration of the Code's receipt and notification.

In accordance with the Code's context, a Whistle Blowing procedure is established for submitting complaints and raising concerns in case of misconducts or illegal acts that oppose to the Bank's internal policies and procedures. Along with the above process, a Whistle Blowing Committee is established which evaluates received named & anonymous reports and decides about their credibility & for taking further action.

Health, Safety & Wellbeing

Aiming to sustain a health, safety and wellbeing culture with high standards, the Bank provides a wide range of preventative and reactive services for employees and their families. Fully aligned with the relevant legislation on ensuring safety at work, the Bank continued during 2019 to systematically train firefighting teams, covering 1,448 evacuation exercises in Headquarters as well as in the branch network.

During the second semester of 2019, in collaboration with the occupational doctors as well as our Health & Safety ("H&S") providers, we initiated the update of all employees' medical files in accordance with the Groups' philosophy to create awareness and prevention measures on health issues. The completion of the project is due at the end of June 2020.

With regards to safety, in the same period, 4 accidents were recorded in our premises, dealt with in full compliance with the law, also taking into account additional corrective prevention measures for avoiding future incidents.

Beyond the labor framework, the Bank continues to provide within the "duty of care" responsibility, Employee Assistance Programs and Occupational Doctors and Nurses, responsible for consultation on health and psychosocial issues. In the same H&S framework, employees and their families also benefited from various courses, lectures and seminars covering approximately 1.140 beneficiaries in Attica, Thessaloniki and Ioannina. Additionally, during the first semester, the Bank assigned 37 orthopedic seats and supported motherhood by endorsing 276 cumulative leave absences.

In the context of its coordinated effort to prevent the spread of COVID-19, Piraeus Bank has launched a series of operational-level preventive measures within the framework of its Business Continuity Plan. All of the actions that have been placed in force relate to preventive measures and are incorporated into the Bank's Business Continuity Plan, enabling the Bank to operate seamlessly with a sufficient number of employees per unit, while adhering to all medical instructions and ensuring employee health and safety. The Bank has activated an employee allocation plan, covering all central services, by alternating floors for similar roles of operations within the same building or different locations. In order to achieve greater effectiveness of this decision measure, the physical interaction/ communication between employees is minimized. This mitigates the risk of a 14-day self-quarantine home restriction on all unit employees under EODY tracking guidelines. For those employees whose work requires strictly physical presence, the Bank has reduced attendance to the most necessary, on a rotating basis, and always by taking all appropriate security measures. The Bank has also completed the technological upgrade so that in the event of a decision to transfer a group employees or individual to a home restriction status due to COVID-19 to be able to provide its employees with Work From Home access. Additionally, the policy on business travel abroad and internally has been revised, postponing scheduled trips.

Corporate Responsibility and Volunteerism actions

Within our Corporate Responsibility ("CR") framework, the Bank organized and participated, 101 CR and volunteering actions, benefitting 34,253 people in collaboration with 374 Non-Government Organizations and other organizations.

In 2019, the promotion of youth entrepreneurship was still at the center of our priorities. We initiated 32 actions and we benefited 1,445 students in different areas of the country. Our initiatives were jointly organized with Junior Achievement Greece and Future Leaders and were dedicated in preparing young people for employment and entrepreneurship. Our partnership with Junior Achievement goes back to 2010 and we deliver hands-on, experiential learning in entrepreneurship, work readiness and financial literacy to school students. This year we also collaborated with Learning Business and Equal Society and created powerful and informative videos aiming to reinforce to young people and socially sensitive groups pathways for employability and financial success.

Anti-bribery and corruption

Piraeus Bank is committed to high standards of ethical behavior and operates a zero-tolerance approach to bribery and corruption. In this context, Piraeus Bank has adopted appropriate measures to protect the reputation of the Bank in matters of ethical conduct, financial integrity and reliability of its operations. In this context, all employees receive training for the recognition and avoidance of involvement in bribery, and are encouraged for the awareness and prompt reporting of any case in which bribery is suspected within the administration of the Bank.

The prevention, detection and reporting of bribery is the responsibility of all employees and management of the Group as detailed in the Whistle Blowing Policy. For the purposes of the foregoing, the Bank has established appropriate communication channels for those reporting on cases of bribery, fraud and corruption or for any potential suspicion, with the utmost confidentiality so as to immediately inform the competent authority. Upon authorization of the Group Audit Committee, the Group Internal Audit has been charged with the management concerning the confidential reporting of staff on issues of bribery, corruption and fraud.

Principles for Responsible Banking

Piraeus Bank undertakes initiatives for a positive and continuous impact, in order to strengthen sustainability and social wellbeing. Piraeus Bank was the only Greek bank that participated in the development of the Principles for Responsible Banking, along with 30 other UNEP FI-member banks (United Nations Environment Programme Finance Initiative). Their adoption is a decisive move to achieve alignment with the U.N. Sustainable Development Goals (SDGs) and the Paris Climate Agreement. The Principles are fully harmonized with the Bank's Purpose and Values and the CEO of Piraeus Bank signed them in the UN special ceremony on 22 September 2019, in New York. The Corporate Responsibility Committee, chaired by the CEO, oversees the implementation of the Principles and informs the BoD and Executive Committee ("ExCo"). Members of the ExCo have been appointed as "Responsible Banking Ambassadors" and the "Principles for Responsible Banking Working Group" has been set up for preparing specific targets in implementing the Principles.

Collective Commitment to Climate Action

On 23 September 2019, 36 signatories to the Principles for Responsible Banking, including Piraeus Bank, announced the Collective Commitment to Climate Action. The banks commit to align their portfolios to reflect and finance the low carbon, climate-resilient economy required to limit global warming to well below 2 degrees, striving for 1.5 degrees Celsius.

Participation in Global Sustainability Initiatives and Sustainability Indices

Piraeus Bank is a member of UN Global Compact and UNEP FI. CDP rates Piraeus Bank with "Management B", while the oekom-Research index rates the Bank with a C- score. In 2019, Piraeus Bank received a rating of BBB (on a scale of AAA-CCC) in the MSCI ESG Ratings assessment. Piraeus Bank also received an excellent "1 - HIGHER DISCLOSURE" score from ISS Corporate Solutions for the pillars "Society" and "Environment" and a 5 score from ISS Governance Score (10 indicates higher governance risk). Piraeus Bank improved its overall FTSE4Good ESG Rating Score from 3.6/5 to 4.1/5 and is ranked in the top 29% of the most sustainable banks in the world (2019). Piraeus Bank is also a constituent of the "Vigeo Eiris' Best Emerging Markets Performers" sustainability index, following its upgrade to level "Advanced Performance" (score 60/100). As a member of UNEP FI, Piraeus Bank participates in working groups that develop tools and methodologies for calculating portfolio impact and applying the EU Taxonomy in core banking products.

Environmental Management – Improvement of Environmental Performance

Piraeus Bank implements an Environmental Management System (EMS) in all its buildings, certified under the European Eco-Management and Audit Scheme (EMAS) regulation and ISO 14001. In 2018, Piraeus Bank received Guarantees of Origin certifying that 100% of the electricity consumed in the Bank's facilities derived from Renewable Energy Sources.

The environmental data and KPIs are reported on an annual basis both in Piraeus Bank's Sustainability & Business Report[1] and in the Environmental Statement[2] and are validated by a third party assurance agency. In 2018, the CO_2 emissions and paper consumption per employee were reduced by 4% each and electricity per square meter was reduced by 9%, compared to 2017. Some of Piraeus Bank's environmental targets for 2019 were: 5% reduction in total electricity consumption per square meter (2-year target, base year 2018), 2% reduction in total paper consumption per employee.

In 2018, the replacement of outdoor sign lighting with LEDs in 351 branches was completed (total 500 branches since 2017) and the energy saving is approximately 50%. The "Energy Office", an environmental program, uses a web-based, real-time, monitoring software, unique in the Greek banking sector and records the energy and water consumption in more than 350 buildings. In total, since 2014, electricity consumption per m^2 decreased by more than 17%. The implementation of environmental programs reduces the Bank's operational expenses by € 5.5 million annually, according to a recent study by an

[1] Sustainability & Business Report 2018: https://www.piraeusbankgroup.com/en/investors/financials/annual-reports

[2] Environmental Statement 2017: https://www.piraeusbankgroup.com/en/corporate-responsibility/environment/environmental-fields-of-action/environmental-management

external consultant.

Addressing Climate Change

Piraeus Bank calculates annually the climate risk of its business borrowers based on their turnover, in selected economic sectors that may be affected by climate change. For 2018, the total climate exposure of the Bank's business borrowers was estimated at € 926 million, i.e. 1.7% of their total turnover, from € 542 million in 2017 (1.3% of their total turnover)[3]. Only 8.6% of the Bank's business loan portfolio belongs to sectors with medium and high climate exposure.

Protection of Biodiversity

In September 2018, Piraeus Bank completed the five-year European co-funded LIFE-Stymfalia project. The aim of this project was to restore important wetland habitats at Lake Stymphalia and create the conditions for their long-term protection and management, linking business and biodiversity protection. Piraeus Bank is an active member of the EU Business @ Biodiversity Platform, a forum for discussing policies for linking business with biodiversity and natural capital. The Bank also participates in the IUCN Incubator for Nature Conservation project to investigate business opportunities in Protected Areas.

The PIOP Museum Network, growth factor in the Greek provinces

The Museum Network of the Piraeus Bank Group Cultural Foundation (PIOP) is a model-project that supports local communities. Its goal is to contribute to their cultural and economic development, while maintaining the high quality level of services it provides to the society in the fields of culture, the environment and lifelong learning, as well as to attract various audiences. Museums are a key part of local cultural infrastructure, as they help increase the number of visitors to each place, extend the length of the tourist season, and upgrade the entire tourist "package". The overall contribution of the PIOP Museums to the Greek GDP exceeded € 14 million, based on a study conducted by the Foundation for Economic & Industrial Research-IOBE in 2016. Given the increasing trend in visitors of the PIOP Museum Network (the number of visitors in the Museums of PIOP, reached 337,266 in 2019 versus 220,000 in 2016), a similar upward trend is expected in coming years.

For 2019, the Hellenic National Committee of the International Council of Museums (ICOM) has selected PIOP as its honorary institution in the context of the International Museum Day celebration entitled "Museums as cultural hubs: the future of tradition".

Socially and Environmentally Responsible Banking Products and Services

Piraeus Bank supports individuals and businesses that choose environmental-friendly technologies, improve the energy efficiency of their premises, and generally invest in sustainable projects. Piraeus Bank, with the specialized Green Banking & Development Programs Unit, actively supports areas such as Renewable Energy Sources ("RES"), Energy Efficiency, Responsible Agriculture, etc., playing a leading role in the sustainable development of Greek economy and its transition to a low carbon economy. The Bank provides comprehensive support to Greek businesses through specialized financing tools with favorable terms and modern advisory services. In addition, the Bank provides individuals Green Loans with favorable terms to purchase or construct energy-efficient homes, install photovoltaic systems for net metering or make environmental-friendly repairs/interventions in their homes.

In total, funding for individuals and businesses for sustainability products amounted to € 1.4 billion (active loan balances at 31

[3] The average annual green-house gas emission allowance price of € 16/tonne was used to calculate climate exposure compared to price of € 7/tonne of emissions by which it was calculated in previous years.

December 2019). The largest part of the loans is allocated to RES projects, namely photovoltaic ("PV") systems –on rooftops and on land– wind farms, small hydroelectric power stations and biomass/biogas projects.

Moreover, Piraeus Bank has entered a series of strategic partnerships with National and European Development Institutions for providing various forms of financing with favorable terms, to promote innovation, energy efficiency, start-ups, micro enterprises, young farmers etc. Signed agreements with the above characteristics exceeded € 2.7 billion in the last 6 years from 2013 to 2019.

Risk Assessment for Sustainable Finance

Piraeus Bank through the Green Banking & Development Programs Unit, having a horizontal role and aiming at a holistic depiction during risk assessment performs 2 additional "Risk Assessments for Sustainable Finance" in business financing.

1. The sustainability assessment that aims to a holistic evaluation of credit risks that may arise in a new investment or in existing business activities and facilities. Operating an efficient and effective Environmental & Social Management System "ESMS", Piraeus Bank assesses in parallel to financial risks (classical banking), environmental, social and governance risks (sustainable banking). With this assessment of business activity, Piraeus Bank underpins its customers to adapt to the new sustainable business model, strengthen their competitiveness, reduce their operational costs, be involved in innovative sectors, and in general utilize the opportunities and incentives provided.

2. The Techno-Economic Assessment that aims to evaluate new or existing green projects, thoroughly evaluating the proposed technology and its cost, the choice of equipment, the estimated productivity of the project, the experience of the installer, etc. At the same time, the licensing process is monitored throughout the investment, in accordance with national legislation and European standards.

In 2019 a total of 2,120 evaluations were carried out (including new projects, renewals, insurance contracts etc.).

Related Party Transactions

With reference to the transactions of the Bank with related parties, such as members of the Board of Directors and the management of the Bank and its subsidiaries, these were not material in 2019, and a relevant detailed reference is included in the 2019 Annual Financial Statements.

Risk Management

Risk Management is an area of particular interest and focus in Piraeus Bank, targeting towards a holistic approach to risk management in terms of risk identification, assessment and control, at Group level. The prudent implementation and continuous development of the risk management framework constitutes a priority and is taken into account when designing the Group's strategy and business plan.

The purpose of Group Risk Management (GRM) is to safeguard the optimum usage of Piraeus Bank's resources, its capital, its reputation and its people. The ultimate goal is to achieve the targeted return on equity by means of pursuing the bank's strategic plan, while at all times ensuring tactical initiatives remain respectful of the defined risk appetite.

In this context, the key driving principles of GRM were captured as described below:

- Strategically manage capital & liquidity
- Increase focus on strategic risk
- Enhance risk management capabilities
- Iterative governance augmentation
- Shape a strong Risk Culture

Group Risk Management 2019 Update

In March 2019, the new organizational structure of GRM was fully implemented, to support the alignment with the Bank's strategic targets, including the profitable and sustainable business model, optimization of capital allocation and strengthening of risk monitoring and controls, while adopting superior governance standards in accordance with the European regulatory and supervisory principles. Additionally, the GRM team is better equipped to furnish the organization with best in class risk management practices, models and methodologies while act as conduit of Risk Culture in the organization.

In this context, a 4-pillar structure was established, with discrete functional areas and clear responsibilities, as follows:

- Risk
- Balance sheet & capital planning
- Control
- Analytics

Also, in alignment with the bank-wide implementation of the Internal Control System Enhancement initiative, the Segment Controller role was established with a discrete reporting line to CRO (Segment Head).

In tandem with the new organizational structure, a formal Risk Culture Program was launched under the supervision of the CRO, channeling the Bank's commitment to enhance risk awareness and fine tune the balance between risk taken and required returns. The Risk Culture Program is sponsored by the CEO and a cross functional Steering Committee, with the participation of senior leaders, monitors its implementation.

Indicatively, but not exhaustively, 2019 key risk strategic and functional objectives include:

- Enhancement of the risk management framework in terms of policies, methodologies, models and processes
- Risk-weighted assets ("RWA") management and capital awareness initiatives
- Operationalization of Risk Strategy through Adjusted Return Tool ("ART")
- Set up / operation of a fully centralized Individual Impairments Unit
- Implementation of risk data quality initiatives and enhancement of risk reporting
- Enhancement of the Internal Control System ("ICS") framework

- Lead and contribution to the preparation and execution of the EBA Stress Test exercise

Risk | Function & Initiatives:

Risk is responsible for the development of the risk management framework (policies, methodologies, models and processes) with respect to credit risk, collateral risk, market, liquidity and Anti Money Laundering ("AML") related risks. To that end, the unit deploys proper methods, including models, that allow the identification, measurement and monitoring of the aforementioned risks.

Moreover, it is responsible for the design and implementation of the Group's Internal Liquidity Adequacy Assessment Process ("ILAAP") and leads the preparation and execution of regular enterprise-wide liquidity stress tests.

Further, Risk produces risk-related reporting to the Bank Management and Management/BoD Committees as well as to the supervisory authorities.

During 2019, Risk has led/participated in a number of strategic & functional risk initiatives. Indicatively:

- Credit Risk
  - Establishment of a centralized Impairment Unit;
  - Enhancement of the Model Governance Framework by introducing a dedicated Model Oversight Committee along with a tool for the model workflow management and validation process'
  - Development of stage transition models to be used in the Business Planning & EBA Stress Test;
  - Development of enhanced reports on expected credit losses;
  - Initiation and engagement in projects addressing new credit risk regulatory requirements (e.g. EBA Addendum, new default definition, loan origination and monitoring and financial reporting);
  - Initiation of an Early Warning System development, including dedicated models, updated policies and processes;
  - Initiation of credit rating models re-development for the Bank's material business and retail portfolios.
- Market, Liquidity & AML
  - Enhancement of market risk management, ILAAP and Interest Rate Risk in the Banking Book ("IRRBB") frameworks and reporting;
  - Support IRRBB initiatives (behavioral models, data requirements).
- Own Assets & Collateral Risk
  - Development of own assets and collateral risk management framework & reporting;
  - Active involvement of Group Risk Management in Properties and On-boarding Committees;
  - Diagnostic reports for own assets and collateral risk.

Balance Sheet & Capital Planning | Function & Initiatives:

Balance Sheet & Capital Planning supports the development and implementation of the Group's Strategy, aiming at the effective management of risks and balance sheet optimization. To this end, the unit is responsible for the development and maintenance of the Risk and Capital Strategy as well as Risk Appetite Framework ("RAF") of the Group, in accordance with the Risk Committee and Board of Directors' directions and guidance.

Moreover, it is responsible for the design and implementation of the Group's Internal Capital Adequacy Assessment Process ("ICAAP") and leads the preparation and execution of regular enterprise-wide stress tests. Further, it is responsible for the coordination and overall maintenance of the Group's Recovery Plan.

Finally, Balance Sheet and Capital Planning is responsible for the measurement, monitoring and reporting of capital requirements and capital adequacy ratios of the Group.

During 2019, Balance Sheet & Capital Planning has undertaken a number of strategic & functional risk initiatives. Indicatively:

- Risk Strategy
  - Balance sheet diagnostics and optimization initiatives;
  - Risk & Capital Strategy: 2019 enhancements and action plan.
- Capital Planning & Stress Testing
  - Implementation of ICAAP 2018;
  - Update of ICAAP action plan, and initial design of methodological enhancements for the purposes of the 2019 ICAAP;
  - Design of Stress Testing Framework enhancements, for both internal and regulatory Stress Tests;
  - Preparation and submission to the SSM of the 2019 Recovery Plan report & playbook.
- Capital Calculation & Reporting
  - Enhancement of capital management analytical and reporting framework, including transition to upgraded infrastructure;
  - Contribution to the successful implementation of the RWA management initiatives;
  - Enhancement of Pillar I & Pillar III policy and procedures;
  - Contribution in drafting the Bank's Significant Risk Transfer (SRT) policy and preparation for planned NPE securitizations.

Control | Function & Initiatives:

Control is responsible for the identification, monitoring and assessment of all types of risks (credit, market, operational, liquidity, etc.) arising from the Bank's activities, through the development, implementation and evaluation of an adequate Internal Control System, in order to ensure the safe and efficient operations of the Bank and the achievement of its business objectives. Also, the unit is collaborating with Segment Controllers to accomplish its mission.

In addition, Control is responsible for the development and implementation of an effective operational risk management framework (policies, methodologies and procedures) based on the Group's Risk & Capital Strategy and the regulatory requirements.

Moreover, Control is responsible for the development and implementation of the credit risk review of the Group's loan portfolio in two dimensions: i) ex post, through credit reviews with assessment per borrower (or group of borrowers) and overview of Credit Policy and Processes compliance (process review), monitoring of credit risk areas and overview of approvals granted by the NPE Servicer within its delegated authorities and ii) ex ante, through an overview of cases examined for approval by the Credit Committee and the Provisioning Committee.

Furthermore, Control is responsible to conduct independent assessments of the Bank's models in order to validate their robustness, accuracy and effectiveness. The scope includes credit risk, operational risk, market risk, liquidity & interest rate risk models as well as other models used by the Bank. The assessments are prioritized in the context of the Annual Model Validation Plan, which is approved by the Risk Model Oversight Committee.

During 2019, Control has led/participated in a number of strategic & functional risk initiatives. Indicatively:

- Operational Risk & Control
  - Implementation of Internal Control System Enhancement Project (Majorca);
  - Enhancement of the operational risk management framework;
  - Enhancement of operational risk loss collection;
  - Enhancement of product review process;
  - Implementation of major infrastructure projects, including a bank-wide platform for the management of internal control deficiencies;
  - 2019 Annual RCSA plan implementation.
- Credit Control
  - Enhancement/extension of Credit Control perimeter (NPE Servicer and Retail);
  - Implementation of a new sampling methodology (based on supervisory guidelines);
  - Enhancement of credit reviews and monitoring mechanisms (follow-up actions, reporting on high credit risk areas/processes);
  - Participation in data governance framework and product review processes.
- Model Validation
  - Upgrade of the model validation as a key control function;
  - Enhancement/extension of model validation scope, framework and infrastructure to cover risk models other than credit, as well as other models used by the Bank;
  - Participation in the Bank's Working Group for the establishment of Principles for Responsible Banking.

Analytics | Function & Initiatives:

Analytics is responsible for undertaking end-to-end holistic analysis with a view to responding to challenges arising within the risk management framework. To that end, the unit employs accounting, financial engineering, product expertise, investigation, intelligence, technology, economics and deep industry skills, along with consistent proven global methodologies to help reduce unwarranted risk and commercial loss. Analytics also coordinates and monitors projects under the hospice of Group Risk Management and being responsible for risk management data and operations.

During 2019, Analytics has led/participated in a number of strategic & functional risk initiatives. Indicatively:

- Forensics / Solutions
  - Introduction of ART in Shipping, Small Business, Agricultural and Letter Guarantees portfolios
  - Enhancement of ART and integration with RAF limits, budget and the overall customer profile
  - Launching a new approach to generate risk reporting in order to enhance data insights and analytics using business intelligence tools.
- Group Risk PMO
  - Coordination of actions required to submit & monitor Group Risk Management budget
  - Contribution to the review of Group policies and processes related to the respective operations
  - Participation in Bank-wide initiatives to voice Group Risk Management perspective
  - Design and delivery of risk culture survey
- Risk Data Office & Operations
  - Various initiatives leading to improvements in risk data quality, operations and procedures
  - Active participation in data governance framework initiatives

Risk Culture Program | Initiatives

The Risk Culture Program was launched in Q4 2019 and its scope is to exemplify the desired behaviors and routines that reinforce solid judgement about risk taking and encourage ethical conduct towards all stakeholder groups. Over the past two years, the Bank has taken a number of actions to safeguard that any risk-taking activities beyond its risk appetite are identified, assessed, escalated and addressed in an effective and timely manner. Efforts so far focused in redefining processes, systems and frameworks linked to an augmented governance and enhancement of risk awareness. The next phase is to anchor the desired behaviors and routines to establish a strong risk culture where sound risk taking is promoted, emerging risks are addressed and business is conducted in a legal and ethical manner by all employees.

The Program is twofold and aims to:

- Challenge Group Risk Management team itself and gradually shift from tactical responses to independent oversight and challenge

- Shift mindset across the organization from a reactive and dependent approach to clear accountability and ownership for risk taking

Indicatively, but not exhaustively, 2019 key risk culture initiatives include:

- Assessment of current status:
  - Surveys: The risk culture pulse survey conducted in April 2019 and addressed to the entire management team. Additionally, feedback from our Board of Directors was received through a questionnaire conducted in September 2019
  - Observation of behavioral metrics: an approach to regularly capture information and perspective from consistently observing the tone at the top and bottom of the Bank, such as the manner in which: recommendations from audits are fast implemented, risk limits are breached and in what frequency, information is escalated and misbehaviors are disciplined.
  - Risk culture in the organization is monitored according to EBA and FSB assessment indicators which are: tone from the top, accountability, effective communication & challenge and incentives

- Challenge Group Risk Management team, with the implementation of initiatives related to 1st Group Risk Management offsite meeting, knowledge sharing sessions and CRO lunch meetings with GRM team.

Estimates for the Development of Piraeus Group's Operations in 2020

Regarding the outlook for the next 12 months, the primary risk factors for the developments in the Greek economy, the domestic banking sector in general and Piraeus Bank in particular, are the global and domestic microeconomic and financial market conditions, mainly due to the effects of coronavirus as well as the possible return of the European economy to a recessionary environment. Further, the persistently low interest rates environment and the geopolitical developments in the wider region are additional risk factors.

The effects of the COVID-19 on the economic activity depend heavily on the range of its possible expansion and the timing of its curbing. On the other hand, the measures taken by the European Commission and the ECB in March 2020 to mitigate the effects of COVID-19 in European member state economies, in the firms facing disruptions, and the measures taken by the Greek government and the Hellenic Bank Association's members to mitigate the effects of COVID-19 pandemic in affected lenders are expected to effectively address the challenges and restore confidence and support a rapid recovery. The base scenario calls for the Greek economy to bear the full brunt of the crisis in the second quarter of 2020, when the quarterly GDP is expected to contract at a level close to the worse quarters of the recent crisis in Greece and then gradually return to growth during the second half of the year. The aforementioned assumptions may lead to GDP contraction in 2020, which will be followed by a V shaped recovery in 2021, as the economy returns to normality.

In such a case, an adverse impact on certain industries of the Greek economy is possible, such as tourism, manufacturing, and shipping. A prolonged slowdown in the economic activity could impact the NPE reduction efforts of the Greek banks and put pressure on the revenue side.

Piraeus Bank is continuously monitoring the developments on the COVID-19 front and is in an increased state of alertness so as to take appropriate proactive actions to safeguard its capital and liquidity position and the implementation of its new Financial and Strategic Roadmap.

Athens, 27 March 2020

Non–Executive Chairman of BoD	Managing Director (CEO) Executive BoD Member
George P. Handjinicolaou	Christos I. Megalou

CORPORATE GOVERNANCE STATEMENT

This Statement on Corporate Governance of Piraeus Bank forms part of the Board of Directors' Report and contains information regarding the matters of article 152 of Greek Law 4548/2018 as at the reporting date of 31 December 2019 and the subsequent period up to the publication date of the Annual Financial Report.

In particular, Chapter I describes the institutional and regulatory framework that the Bank applies in terms of corporate governance and operation as well as the elements of its Corporate Governance Structure and Operating Regulation. Chapter II includes the analysis of the composition and manner of operation of the Bank's management, administrative and supervisory bodies and committees, including Internal Control System (ICS), Compliance and Risk Management System implemented by the Bank.

I. APPLICATION OF INSTITUTIONAL FRAMEWORK & CORPORATE GOVERNANCE STRUCTURE AND OPERATING REGULATIONS

Piraeus Bank, in its capacity as a Société Anonyme company listed on the Athens Stock Exchange, in parallel with the provisions of corporate law and its Articles of Association, applies the provisions on Corporate Governance of listed companies set out in Greek Law 3016/2002. Furthermore, Piraeus Bank, as a financial institution, supervised by the ECB, applies the most stringent special provisions of Greek Law 4261/2014 and of the Bank of Greece Governor's Act 2577/9.3.2006 regarding principles of operation of credit institutions and the criteria for evaluating their Internal Control System (ICS).

Furthermore, Piraeus Bank has established and applies the Corporate Governance Structure and Operating Regulation ("the Regulation"), which constitutes an internal document of the Bank. The Regulation incorporates the regulations arising from the mandatory institutional framework (especially Greek Law 3016/2002, Greek Law 4261/2014, Bank of Greece Governor's Act 2577/9.3.2006, Capital Market Commission Resolution No. 5/204/14.11.2000, the provisions of the Athens Stock Exchange Regulations) and adopts the international Corporate Governance practices, including the OECD Principles of Corporate Governance (2004).

Both the Bank's Articles of Association, which have been aligned to the provisions of Greek Law 4548/2018 by means of a resolution of the General Meeting of Shareholders as of 28 June 2019, and its Regulation, are posted on the Bank's website, www.piraeusbankgroup.com

The main objectives of the Regulation are to:

i) ensure transparency, integrity, functionality and efficiency of the existing system of the Bank's corporate governance and internal control system;

ii) enhance confidence in the Bank for domestic and foreign investors, shareholders, employees and customers;

iii) ensure the Bank's continued compliance with the Greek Laws and regulations governing its organization and operation and its activities;

iv) develop a self-regulating framework within the Bank by establishing rules for its administration, management and staff, which complement the provisions of the existing regulatory framework and are being established with a view to enhancing the Bank's sound and responsible management and operations.

The organisational structure of the Bank complies with the current principles of the institutional framework governing the operation of financial institutions and it is structured in such a way that it meets the needs of the key business sectors in which it operates. Ensuring an effective organizational structure with a clear definition of the competencies and areas of accountability of each administrative unit of the Bank, constitutes the basis upon which the functions and operations of the Bank are founded. Particular emphasis is given to the setting up of a clear organizational structure with distinct, transparent and consistent lines of responsibility, the establishment of efficient and detailed procedures for conducting the Bank's operations and of adequate control mechanisms in respect of such procedures, as well as to the identification, management, monitoring and reporting risks which the Bank assumes or may undertake within the framework of its activities.

A main concern of the Bank is also developing and continuously improving the Internal Control System (ICS), both on an individual as well as on a Group level. These are well-documented, detailed audit mechanisms and procedures, incorporating the best principles of corporate governance and they cover on a continuous basis every activity and transaction of the Bank, contributing to its efficient and safe operation.

The Regulation refers in detail to the area of responsibilities and to the functioning of key bodies of the Bank, in particular to the Board of Directors, the Audit Committee, the Risk Committee, the Remuneration Committee, the Board of Directors Nomination Committee, the Strategy Committee, the Board Ethics and Governance Committee, the Group Executive Committee and also to the Group Internal Audit, the Risk Management and the Regulatory Compliance Units.

Moreover, in the context of the provisions of Greek Law 3864/2010, a Relationship Framework Agreement ("RFA")[4] dated 27/11/2015 was entered between the Bank and the Hellenic Financial Stability Fund ("HFSF"). The RFA regulates the relationship between the Bank and the HFSF on matters related to, amongst others the:

(a) Corporate Governance of the Bank,

(b) monitoring of the implementation of, and performance on, the Bank's NPL management framework,

(c) rights and obligations of the HFSF's Representative on the Board,

(d) obligatory approval of the HFSF on material matters, as well as

(e) monitoring of the Bank's risk profile as against the approved Risk and Capital Strategy.

II. MANAGEMENT, ADMINISTRATIVE AND SUPERVISORY BODIES AND COMMITTEES

- **General Meeting of Shareholders**

  - **The responsibilities of the General Meeting**

The General Meeting of the Shareholders of Piraeus Bank is the supreme body of the Bank and it is responsible, inter alia, for electing the members of the Board of Directors and the external auditors and for the approval of the Annual Financial Report that incorporates the Board of Directors' Management Report and the Consolidated and Separate Financial Statements. The responsibilities of the General Meeting are as provided by the legislative provisions in force and the Bank's Articles of Association.

[4] Draft of the Relationship Framework Agreement is available on the HFSF's website (http://www.hfsf.gr/files/rfa/RFA_HFSF_revised.pdf)

- **Convening of General Meeting**

The General Meeting of Shareholders must meet at the Bank's registered office, or within the boundaries of any other municipality in the registered office's prefecture, or within those of an adjacent municipality or in the region of the municipality in which the Athens Stock Exchange is registered, at least once each fiscal year, in accordance with the applicable Greek Law and the Bank's Articles of Association. The General Meeting is convened at least twenty (20) days prior to the session (not including the days of invitation and session) by Board of Directors' invitation to the shareholders.

The invitation of the General Meeting is posted, according to the Greek Law, on the Piraeus Bank's website (http://www.pirauesbankgroup.com) as well as on the General Commercial Registry - GEMI's website. In the event of iterative General Meeting of Shareholders, the invitation is announced as described above at least ten (10) days before the meeting. No notice of further convocation is required if the initial convocation states the location and timing of the iterative meeting, if no quorum is met, provided that at least five (5) full days elapse between the postponed meeting and the iterative one.

Furthermore, from the day of the announcement of the invitation of the General Meeting of Shareholders until the day of the General Meeting the following minimum information is posted on Piraeus Bank's website:

- Explanatory Note for each Item of the agenda, which will be proposed for approval by the General Meeting
- Form of proxy for the participation and voting in the General Meeting via representative
- Extensive Information, according to art. 141 of Greek Law 4548/2018 regarding the shareholder's minority rights, as defined to par. 2, 3 and 6 of article 141 of Greek Law 4548/2018 as in force, for the minority rights and the terms to exercise them
- Total number of shares and voting rights, as existing at the convocation date of Piraeus Bank's shareholders to the General Meeting.

The General Meeting is in quorum and takes decisions on the issues of the daily agenda, which are considered valid, if the shareholders representing at least one fifth (1/5) of the paid-up share capital are present or represented. In the absence of a quorum, the General Meeting is convened again within twenty (20) days from the date of the cancelled session, provided that it has been invited at least ten (10) days before the convening. At the iterative session, the meeting is in quorum and takes decision for the issues of the initial daily agenda, which are considered valid, irrespective of the represented part of the paid-up share capital.

On an exceptional basis, for the decisions concerning the change of the Bank's nationality, change of the Bank's main activity, augmentation of shareholders' liabilities, share capital increase that it is not provided for in the articles of association, according to para.1 and 2 of art.24 of Greek Law 4548/2018 unless it is dictated by Greek Law or performed by capitalization of reserves, share capital decrease, unless it is performed according to the paragraph 5 of the article 21 or paragraph 6 of article 49 of Greek Law 4548/2018, change of the way of allocating the profits, merger, spin off conversion, revival, extension of duration or winding-up of company, renewal of Board of Director's power or granting the Board of Directors power to increase the share capital, according to paragraph 1 of the article 24 of Greek Law 4548/2018, and in any other case as specified by the Greek Law, the meeting is in quorum and takes valid decisions on the issues of the daily agenda, when the shareholders representing half (1/2) of the paid-up share capital are present or represented in it.

If no quorum is reached, at the repeating session, the meeting is in quorum and takes valid decisions on the above issues of the initial daily agenda, when at least the 1/5 of the paid-up share capital is represented.

The General Meeting's decisions are taken by an absolute majority of the votes represented in the session. On an exceptional basis, the decisions provided for in par. 3 of the article 130 of Greek Law 4548/2018 are taken by a majority of 2/3 of the votes represented in the session.

- **Right to participate and vote**

Shareholders having the right to participate and vote in the General Meeting are those registered at the opening of the fifth day prior to the date of the General Meeting (Record Date), in the electronic registry of the Dematerialized Securities System ("DSS"), managed by "Hellenic Central Securities Depository" (HCSD) and kept by Hellenic Exchanges S.A. ("HELEX"). Proof of the shareholder capacity may be evidenced by all legal means, especially through the information transmitted by the HCSD or by the participants and intermediaries registered to the HCSD.

In the event the required quorum is not met at the General Meeting, the Shareholders having the right to participate and vote at the Iterative General Meeting are those registered in the above registry (Record Date of the Iterative General Meeting).

The Shareholder status on the Record Date and the Record Date of the Iterative General Meeting is verified through the direct electronic linkup of the Bank with the records of the Dematerialized Securities System ("DSS"). No share blocking is required during the period between the Record Date or the Record Date of the Iterative General Meeting and the date of the relevant General Meeting.

- **Procedure for participation and voting by Proxy**

Shareholders participate in the General Meeting either in person or by proxy whom they can appoint and revoke in accordance with the provisions of Greek Law as in force.

- **Shareholder Minority Rights**

Shareholders of the Bank have, inter alia, the rights provided for in par. 2, 3, 6 and 7 of art. 141 of Greek Law 4548/2018

- Shareholders representing at least one twentieth (1/20) of the paid-up share capital may request that the Board of Directors includes additional items on the agenda of the General Meeting (GM) by means of an application submitted at least fifteen (15) days prior to the date of the GM. The application for the inclusion of additional items on the agenda for the GM is accompanied by a justification or a draft decision to be approved at the GM. The revised agenda is then published, as in the case of the previous agenda, at thirteen (13) days prior the GM date. At the same time, the revised agenda is made available to Shareholders through its being posted on the Company's website, together with the justification or the draft decision which the Shareholders have submitted, pursuant to article 141, par. 2 of Greek Law 4548/2018. If the additional items are not published as described above, the requesting shareholders are entitled to ask for the postponement of the General Meeting, according to par.5 of art.141 and proceed themselves to the publication at the expense of the Bank.
- Shareholders representing at least one twentieth (1/20) of the paid-up share capital, may submit draft resolutions for items included in the initial or revised GM agenda. Respective application must be submitted to the Board of Directors at least seven (7) days prior to the date of the GM and the draft resolutions are posted to the to the Bank's website (http://www.piraeusbankgroup.com) according to par.3 of art.123 of Greek Law 4548/2018, at least six (6) days prior the date of the GM.
- Following a request submitted by any Shareholder to the Bank at least five (5) full days before the GM, the Board of Directors must provide to the GM the requested specific information on the Bank' s affairs, to the extent that the requested information is useful for the actual assessment of agenda items. The Board of Directors may give a comprehensive reply to Shareholders' applications with the same content. Information disclosure liability does not exist, in the case that the relevant information is already available on the Bank's webpage, particularly in the form of questions and answers.
- At the request of Shareholders representing one twentieth (1/20) of the paid up share capital submitted at least five (5) full

days before the GM, the Board of Directors must announce to the Ordinary GM, the amounts that have been paid during the last two years to each Member of the Board or the Bank's directors as well as any benefits that were granted to the above persons for any reason or on the basis of their agreement with the Bank. In all of the above cases, the Board of Directors may decline the provision of information for an adequate and substantial reason, mentioned in the minutes.

- Following a request of Shareholders representing one tenth (1/10) of the paid up share capital, submitted at least five (5) full days prior to the GM, the Board of Directors must provide to the GM information on the progress of corporate affairs and the Bank's assets. The Board of Directors may decline to provide the requested information for an adequate and substantial reason, mentioned in the minutes.

In all of the cases referred to above, requesting shareholders must prove their capacity as a shareholder during the exercise of such a right. Such proof can be an attestation from the organization where the securities are kept or verification of Shareholder status through direct electronic connection between the organization and the Bank.

Information on the operation and decisions of the General Meetings of the Bank's shareholders is available on the Bank's website, trough the following link: https://www.piraeusbankgroup.com/el/investors/corporate-governance/general-meetings

- **The Board of Directors**

2.1 Composition

In accordance with article 8 of its Articles of Association, as in force today, the Bank is managed by a Board of Directors (BoD) consisting of nine (9) to fifteen (15) members. Pursuant to Greek Law 3016/2002, the Board consists of executive and non-executive members. The number of the non-executive members should not be less than one third (1/3) of the total number of members. Among the non-executive members, at least two (2) should be independent within the meaning of art.4 of the aforementioned Greek Law. Pursuant to Greek Law 3864/2010, a Representative of the HFSF participates as a Member to the BoD. His responsibilities are determined in Greek Law 3864/2010 and the RFA.

In addition, the RFA provides, inter alia, for the following on the composition of the Board of Directors of the Bank: a) the BoD must be composed of no fewer than seven (7) and no more than fifteen (15) members. Only an odd number of members is permitted, including the HFSF's Representative on the Board, according to Greek Law 3864/2010, b) the Chairman of the Board must be non-executive and should not serve as Chairman of either the Board's Risk or the Audit's Committee, c) the majority of the BoD must be comprised of non-executive members, 50% of which (rounded to the nearest integer) and no less than three (3) members (excluding the HFSF Representative) should be independent, satisfying the independence criteria of Greek Law 3016/2002 and the Recommendation 2005/162/EC, and d) the BoD must include at least two (2) executive members.

The Board of Directors has adopted a Policy on the Nomination of Board Members. Such Policy is based on the regulatory obligations of the Bank and incorporates the following: a) the provisions of Greek Law 4261/2010, b) EBA Guidelines on the assessment of the suitability of BoD members, and c) the provisions of the RFA as well as international best practices. The Policy describes the general principles, the procedure and the criteria of the nomination of BoD members (excluding the HFSF Representative), which include, inter alia, the following: (i) fit and proper criteria, (ii) criteria for the avoidance of conflicts of interest, (iii) criteria on the availability and dedication of sufficient time for the operations of the BoD, (iv) criteria with respect to financial experience within the banking sector, commitment on the application of international best banking practices with particular emphasis on risk management, compliance and the Internal Control System (ICS), sufficient knowledge of the regulatory and business environment in which the Bank operates as well as criteria concerning the independence, ethics and the personality of the candidate member.

More specifically, in order for a person to be considered an eligible candidate by the Board of Directors and the Nomination

Committee, such person:

- must meet the suitability criteria (fit and proper) set out under (a) below,
- may have no potential conflicts of interest with the Bank,
- must be able to commit sufficient time to the BoD of the Bank depending on the position for which they are recommended, and
- should have one or more of the qualifications set forth under (d) below.

1. Suitability criteria (fit and proper)

- **Honesty, integrity and reliability:** Candidates, based on their background, must be able to inspire the trust required for a member's accession to the highest management body of the Bank. The Nomination Committee ensures that all candidates have an impeccable reputation.
- **Expertise and prior Professional Experience:** Candidates must possess adequate expertise and have a successful career in their line of business. They must be able to provide relevant evidence of their prior professional experience in satisfaction of the requirements set out herein.
- **Independence of mind:** Candidates should be able to form opinion and express their independent opinion on all issues undertaken by the Board of Directors.

2. No conflict of interest – Director ineligibility

The Nominations Committee and the BoD ensure that candidate Directors possess such professional capacities as are compatible with the role of Director of the Bank, and that their personal, business and/or professional interests are not in conflict with the interests of the Bank or the Group, in accordance with the provisions of the Bank's Regulation and the legal and regulatory framework, applicable from time to time. All candidates must, prior to their final election, submit a statement that no conflict of interest with the Bank will arise following their election as Members of the BoD.

3. Commitment of time

All candidates must be able to dedicate sufficient time and energy to the performance of their duties. In the case of non-executive Directors, special attention should be paid to the number of directorships and other commitments they may hold outside of the Bank.

Pursuant to Article 83 para. 3 of Greek Law 4261/2014 (article 91.3 of Directive 2013/36/EU) and notwithstanding para.4 and 5, of said Article, Directors may not hold more than one of the following combinations of directorships at the same time: (a) one position as executive member of a board of directors and two positions as non-executive members of boards of directors; or (b) four positions as non-executive members of boards of directors.

4. Desired Director skillset

It is desirable that each candidate possesses one or more of the following attributes, and that the BoD collectively possesses the following skillset:

- **Financial experience in the banking sector (FIE):** Adequate understanding of the banking operations (with emphasis on loans and NPL management), financial services sector and special features of financial institutions.

- **Financial experience:** Adequate understanding of auditing and accounting as well as financial information issues.

- Strong commitment to the implementation of **internationally recognised best banking practices** with emphasis on corporate governance, risk management, compliance and internal control system (the "ICS").

- **Regulatory framework and governance:** Adequate knowledge of the prudential supervision regulatory framework (e.g. national and European financial sector), corporate governance issues and legal liabilities.

- **Risk Management: Ability to oversee the risk management framework including the risk management culture and risk appetite.** Ability to identify, assess and rate the key risks that the Bank faces. Understanding of the fundamental issues pertaining to risk management and asset management.

- **Strategy:** Understanding of the environment where the Bank operates, including the ability to recognize the interests of stakeholders (e.g. shareholders, European Competition Commission, Supervisory Authorities, employees), financial dependencies, as well as other external influences to the organization's capacity to achieve its targets.

- **Leadership:** Experience in large Groups of companies (listed or non-listed), in different sectors, preferably in leadership positions (e.g. Chairman, Managing Director or other role at senior management level).

- **Will to argue constructively during the decision making of the BoD:** will as well as moral and mental stature to constructively challenge the decisions and actions of the Bank's executive management, preserving at the same time the necessary team spirit and avoiding tensions.

- **Gender balance:** Satisfactory gender balance in the composition of the Board of Directors, in accordance with the applicable regulatory framework.

- **Independence:** In the event of an independent non-executive position, candidates must fulfill all the formal independence criteria under Greek Law 3016/2002 and be compatible with the European Commission Recommendation 2005/162/EC, as stipulated in the Relationship Framework Agreement (RFA) with the HFSF.

Additional criteria for Executive Directors: Persons to be assessed for Executive Directors must additionally be willing to enter into a full-time employment or services contract with the Bank. They must also have demonstrated, both in their current and past positions, that they possess the experience, ability and integrity to lead the Bank and the Group in achieving its strategic goals.

The composition and the members of the BoD must also satisfy the criteria set out in par. 7, 8 and 10 of article 10 of Greek Law 3864/2010 for the period the Bank falls under the provisions of same Greek Law.

It is noted that according to the regulatory framework of the Single Supervisory Mechanism (SSM) of the European Central Bank (ECB), each Member of the Board is subject to a fit-and-proper assessment by the SSM for the position held.

The BoD is elected by the General Meeting of the Shareholders of the Bank; which also appoints the independent non-executive members. At the election of Board members, the General Meeting also may elect as members persons who are not shareholders of the Bank.

The HFSF's Representative is appointed by a respective written notice addressed to the Chairman of the Board, following which the Board proceeds to all necessary actions according to the Bank's Articles of Association and corporate law for the completion of this appointment, including the required notification to the General Assembly.

The term of office for the members of the Bank's Board of Directors is three (3) years, and is extended until the Annual General Meeting (AGM) which convenes following the expiry of their term. The current BoD was elected on the General Meeting held on 28 June 2017 and consequently its term of office expires on 28 June 2020, to be extended according to the aforementioned.

According to the Bank's Articles of Association, if a Board member resigns, passes away or forfeits his/her office in any way, or whose office is declared forfeited by resolution of the Board of Directors due to unjustified absence from meetings for three (3) consecutive months, the Board may continue to manage and represent the Bank without replacing the missing members if the remaining members are at least nine (9). The decision of the election shall be published as per corporate law, and the Board of Directors shall announce it at the next General Meeting.

As at 31 December 2019, and on the date of publication of the 2019 Annual Financial Report, the Board of Directors has the following composition, as such was formed following amendments (resignations, replacements of Members) the reconstitution of the Board as a body and the appointment of executive and Non-Executive Members pursuant to Greek Law 3016/2002:

George Handjinicolaou	Chairman of the Board, Non-Executive BoD Member
Karel De Boeck	Vice Chairman of the Board, Independent Non-Executive BoD Member
Christos Megalou	CEO, Executive BoD Member
Venetia Kontogouri	Independent Non-Executive BoD Member
Arne Berggren	Independent Non-Executive BoD Member
Enrico Tommaso Cucchiani	Independent Non-Executive BoD Member
David Hexter	Independent Non-Executive BoD Member
Solomon Berahas	Non-Executive BoD Member
Alexander Blades	Non-Executive BoD Member
Periklis Dontas	Non-Executive BoD Member, Representative of the Hellenic Financial Stability Fund to the Board of Directors pursuant to Greek Law 3864/2010

During year 2019, the composition of the BoD was amended as follows:

- On 21 November 2019, Mr. Georgakopoulos, following his appointment as Chief Executive Officer in the Société Anonyme under the name "Intrum Hellas Societe Anonyme Management of Receivables from Loans and Credits", resigned from his position as Executive Member of the Bank's Board of Directors. It is noted that the Bank has started the process of seeking and assessing the suitability of candidates on the basis of the criteria set out in the supervisory/regulatory framework and the related Bank's policies in order to replace him.

- At its meeting held on 18 December 2019, the Board of Directors elected Mr. Periklis Dontas as Non - Executive Member, HFSF Representative, in replacement of Mr. Per Anders Fasth, following a letter from the Hellenic Financial Stability Fund (HFSF), dated 28 Novemeber 2019 and in accordance with the provisions of Law 3864/2010.

The above modifications in the Board of Directors will be announced at the next General Meeting of Shareholders of the Bank within 2020.

According to the revised RFA, an Observer attends the Board of Directors meetings without voting rights.

The Board of Directors of the Bank consists of members with international leadership expertise and knowhow and particularly in the areas of banking restructurings and the reduction of non-performing loans. Moreover, the members of the Board possess in depth knowledge and experience of the banking market, actively contribute to the improvement of the corporate governance framework, are driving the respective required amendments whilst participating in the creative debates and the quest for solutions to the challenges faced by the Bank.

Information on the current composition of the BoD and short CV of its members are available on the Bank's website (through the following link: https://www.piraeusbankgroup.com/el/investors/corporate-governance/board)

2.2 Succession Policy for the Board of Directors.

The Succession Policy for the Board of Directors (hereinafter "the Policy"), adopted in November 2019, aims to provide a framework and lay out policies which ensure the stability, continuity and proper integration of Piraeus Bank Board of Directors through the identification and selection of potential candidates, in the event of permanent, planned or unforeseen departure of any of its members, particularly for Directors serving in leadership positions (chairpersons of the Board and Committees).

The Board succession planning is a continuous forward-looking process. The aim is to make the Board a strategic asset for the Bank and to ensure that the Board always has the talent and experience it needs. The NomCo ensures that a roster of suitable and interested candidates with different profiles is built up over time and held current. To reduce future risks, a long-term ambition for the Bank is to have a Board with an optimal mix of new Directors, those with medium tenures and those with long tenures.

The process of succession planning is broadly described below.

Identification and evaluation of current and future needs: an internal evaluation of the Board and the principal Committees' future needs is carried annually by the NomCo. At least every second year, each member is interviewed by the Chairmen of the BoD and NomCo, in order to get their perspective on important issues relating to succession planning. Additional input from other stakeholders (e.g. major shareholders and management team) is collected. Additionally, an independent evaluation of the Board will be held at a minimum every three years form 2020 onwards by an appointed specialist third party.

Profile matrix: the result of the above exercise will be summarized and presented to NomCo in the form of a document in which required skills, competences and diversity needs are mapped against the Board' current composition. This document, in combination with the Directors' exit plans should form the basis for a long-term recruitment plan and research for new directors.

Search, selection and appointment: In identifying possible candidates, the NomCo should base its search on the criteria described in the Policy (which, inter alia, incorporate the fit and proper criteria of HFSF and ECB). The NomCo may use a variety of internal and external sources for identifying potential candidates. In case of a new appointment, the list of potential candidates is reviewed by the NomCo with the aim to narrow the search and produce a shortlist. When the shortlisting process has been finalized, the NomCo should meet with the candidates prior to the final recommendation to the Board. Following Board approval, meetings with the CEO and other Directors are organized prior to the candidate's formal appointment.

Diversity and inclusion: The NomCo reviews a broad spectrum of complementary skills, personalities and competencies, when searching for Non-Executive Directors, considering diversity as one of the factors when recommending for a new appointment.

Board composition and succession planning is about inclusion in terms of skills, knowledge and viewpoints. Traditional dimensions of diversity, such as race, gender and tenure are important but the members of the Board should collectively possess a diverse range of skills, expertise, industry knowledge, business and other experience (inclusion) necessary for the effective oversight of the Bank.

Succession planning process for the Board Executive Directors.

The Succession Planning process for the CEO is governed by a separate policy, namely the CEO Succession Planning Policy. Said process is based, amongst others, on the following principles:

Issues related to the CEO succession should be addressed proactively and therefore the succession plan is an ongoing activity with a long-term perspective.

Except where the CEO leaves unexpectedly, the CEO is an active participant and it is on his/her responsibility to ensure that there is an internal process for developing talent for the top executive roles.

The succession planning includes an annual review by NomCo during which the CEO and the Group Human Resources lay out the forward-looking leadership factors against which the talent should be evaluated as well as an external benchmarking.

The process is partly differentiated depending on whether the departure of the current CEO is planned or unplanned.

In case of anticipated succession, the process briefly includes the following phases:

Identification and evaluation of needs: The process begins with determining the Bank's future strategy, which serves as a baseline for the type of skills, and experience that is needed from the new CEO in order to meet the Bank's goals.

Selection criteria: The Nomination Committee, in collaboration with the CEO, distills the abovementioned considerations into a set of criteria that are the most critical to be used for assessing and selecting suitable candidates.

Search and selection: The Nomination Committee should seek to sustain a pool of external and internal talent from which to draw potential candidates.

Nomination: The Nomination Committee reviews the list of potential candidates in order to produce a shortlist. Then, the Committee meets the potential candidates and assesses them, while in parallel examining incompatibilities and disqualifications of legal nature. Finally, the Nomination Committee recommends the best candidate to the Board.

In case of an unanticipated succession, the current CEO cannot/should not participate in the process, which is handled by the Nomination Committee. The NomCo prepares a ready-to use list of potential candidates from which the Board could choose the individual who can run the Bank as an interim CEO (in case there is no apparent successor identified and immediately available). Preferably, such an interim CEO should be selected from the pool of internal candidates. In case the Board believes there are no internal candidates there are ready for the position of the CEO, an external search for a permanent replacement follows.

2.3 Diversity of the BoD members

Upon suggestion of the Board Nomination Committee, the Board of Directors has adopted the Board of Directors Diversity Policy, which records the basic principles and the criteria as to the nomination procedure of the Board of Directors members.

In June 2019, the said policy was revised[5]. The policy is applied in parallel with the Policy on the Nomination of Board Members, as mentioned above and is also considered in the implementation of the Board members and CEO succession planning (pursuant to the respective polices, see above).

The Bank recognizes and embraces the importance and the benefits of diversity for safeguarding and improving its competitive advantage and innovation as well as for the achieving maximum team performance and effectiveness. In this context, when nominating new Board members or top management executives, a combination of elements is taken into consideration, including inter alia: skills, abilities, qualifications, knowledge, experience, educational background, professional training, professional experience, the gender, the age and other qualities, which may vary depending on the identified weaknesses and the business or strategy needs of the Bank.

The election of the Board of Directors by the Annual General Meeting of 28 June 2017 was based (subject to the limitations set by the strict criteria of Greek Law 3864/2010), on the general principles and criteria set out in the Board of Directors Diversity Policy with particular focus to areas related to skills and educational and professional background. The BoD of the Bank now constitutes of members with international recognized experience on areas of strategic importance such as banking, auditing, risk management, NPL management and restructuring, PIO management and financial management etc.

In addition, although the participation of women to the Board of Directors does not vary significantly from the average on national and European level, the Bank recognizes the need to further improve it and is working on that direction, despite the strict legislative and regulatory context governing the composition of the BoD and restricting heavily the pool of the available nominees. During the recent review and update of the Diversity Policy (June 2019), the Bank has committed to make effort to gradually increase the under-represented gender (women) in the BoD to minimum 25% calculated on the total BoD size by the end of the year 2023. In addition, the BoD has committed to increase up to 33% the female representation in the top executive management (Board of Directors, executive management and the direct reporting lines) by 2021.

Having a wide range of perspectives in the boardroom means that the status quo is constantly challenged and critically reassessed and that information is carefully evaluated. The achieved diversity of the Board members effectively contributes to the expression of different views, to the avoidance of "group thinking" and to the constructive dialogue between members, thus succeeding the final decisions to be taken on the basis that the non-executive members of the Board Members exercise critical control to the Management.

2.4 Operation

The Board of Directors, immediately after its election, convenes as a body and elects a Chairman and one or more Vice-Chairmen and Managing or Executive Directors from amongst its members. According to the current legal framework, the RFA and international best practices, the Chairman of the Bank does not at the same time serve as Managing/ Executive Director.

The Chairman is head of the Board and presides over its meetings. In the event that he is absent or not in a position to perform his duties, he is substituted by one of the Vice-Chairmen of the Board; they, in turn, are substituted by another director, appointed by a resolution of the Board. Secretarial duties of the Board of Directors are performed by one of its members or any other third party appointed by the Board. The Board has assigned the support of the works of the Board of Directors to a capable, specialized and experienced Corporate Secretary, who is appointed by it and attends its meetings.

The Board of Directors is convoked by its Chairman or his deputy and convenes at least once a month at the Bank's seat or by teleconference, in accordance with the provisions of its Articles of Association and of corporate law, as in force. The Board of

[5] The revised Board of Directors Diversity Policy is available on the official webpage of the Bank (www.piraeusbankgroup.gr)

Directors may validly convene anywhere in Greece or abroad, where the Bank pursues business activities or has a subsidiary (an affiliate) financial institution.

Pursuant to the provisions of the RFA, the BoD informs the HFSF Representative and the HFSF Observer on the activities and decisions of the Board and to that end it notifies to the abovementioned the dated of the Board meetings. Such notification should be sent by written notice at least three (3) business days prior to the Board meeting and shall include at least the following: (i) the agenda of the meeting and (ii) the relevant material, data or information and all supporting documents with respect to the items of the agenda. In case of non-compliance with the above deadline, the HFSF Representative is entitled to request in writing addressed to the Chairman of the Board, a postponement of the Board meeting which shall be resumed the earliest after three (3) business days, provided that the aforementioned documents are provided in time.

The Board is in a quorum and convenes validly when at least half of its members plus one are present or represented. However, the number of members personally present may never be less than five (5). Fractions are omitted in determining whether a quorum is achieved. When the Board of Directors convenes by teleconference, the members participating are considered physically present.

Resolutions of the Board of Directors shall be taken by absolute majority of the present and represented members unless otherwise provided by Greek Law or the present Articles of Association. Drawing up and signing of minutes by all Board members or their representatives equals a resolution of the Board of Directors, even if no meeting has been held.

Discussions and resolutions of the Board of Directors are recorded in summary in a special book that may also be kept by electronic means. Following an application of a Board member, the Chairman is obliged to record an exact summary of such member's opinion in the minutes. According to the provisions of the RFA, the minority opinion is also recorded to the minutes. A list of Board members present or represented at a meeting is also recorded in this book. The minutes of the Board of Directors are signed by all present Board members and by the Secretary of the Board. Copies or extracts of such minutes are officially issued by the Chairman or other person, appointed for that purpose by a Board resolution, without any other validation. The signatures of the members of the Board of Directors or their representatives may be replaced by an exchange of e-mails or telefax, according to the relevant Law in force.

Pursuant to the provisions of Greek Law 3864/2010, the HFSF's Representative in the Board of Directors has the following rights to:

(a) call a General Meeting of shareholders;

(b) veto key corporate decisions of the Bank's Board of Directors;

(c) Related to dividend distributions and the remuneration policy relating to the Chairman, the Managing Director and the other Board Members, General Managers and their Deputies

(d) Related to any other matter which may set at risk the rights of depositors or have a material adverse effect on the liquidity, solvency and/or, in general, on the prudent and orderly operation of the Bank, including business strategy and asset/ liability management

(e) Related to corporate actions of art. 7A par.3 of Greek Law 3864/2010 which may significantly affect HFSF's shareholding in the Bank

(f) request an adjournment of a Board Meeting for three (3) business days in order to receive instructions from the HFSF Executive Committee, such right may be exercised until the end of the Board Meeting;

(g) call a Board meeting;

(h) approve the appointment of the Chief Financial Officer.

In exercising his rights, the HFSF Representative shall respect the Bank's business autonomy. Further to the above, by virtue of the RFA, the HFSF has, amongst others, the following rights related to the operation of administrative bodies of the Bank. In specific, the HFSF/HFSF Representative to the BoD has the right to:

- participate in the Board of Directors Committees, e.g. the Audit Committee, the Risk Committee, the Remuneration Committee, the Board Nomination Committee, the Strategy Committee and the Board Ethics and Governance Committee. In addition, an Observer appointed by the HFSF is present without voting rights in the Board of Directors and the above Committees' meetings
- include items in the agenda of the meetings of the committee in which he participates as a Member
- include items in the agenda of the General Meeting of Shareholders convened by the Board of Directors
- provide its prior written consent for a number of material matters, as such are designated in the RFA, including, inter alia (a) the policy on connected borrowers and any revisions, amendments, deviations thereof (b) any material transactions and corporate transformations and (c) the management of NPLs and any amendments, revisions and deviations thereof
- review the annual self-assessment exercise of the Board of Directors. In addition, based on the assessment provided for in art. 10 of Greek Law 3864/2010 or the review of the annual self-assessment exercise, the HFSF may proceed to suggestions for improvements or possible changes to the Bank's corporate governance framework.
- monitor the implementation of the Bank's NPL management framework as well as the Bank's performance on that.

The Board of Directors held nineteen (19) meetings during the year 2019.

The following table presents the percentage of the Board and Committees members' participation in the respective meetings for the reporting period.

	Board Of Directors		Risk Committee		Nomination Committee		Remuneration Committee		Audit Committee		Board Ethics & Governance Committee		Strategy Committee	
	Average Participation	Total Number of Meetings	Average Participation	Total Number of Meetings	Average Participation	Total Number of Meetings	Average Participation	Total Number of Meetings	Average Participation	Total Number of Meetings	Average Participation	Total Number of Meetings	Average Participation	Total Number of Meetings
	92%	19			91%	6	93%	6			83%	3	89%	10
Name	Attendance Rate	Number of Meetings	Attendance Rate	Number of Meetings	Attendance Rate	Number of Meetings	Attendance Rate	Number of Meetings	Attendance Rate	Number of Meetings	Attendance Rate	Number of Meetings	Attendance Rate	Number of Meetings
George Handjinicolaou	100%	19/19	-	-	-	-	-	-	-	-	100%	3/3	100%	10/10
Karel De Boeck	84%	16/19	93%	13/14	-	-	-	-	92%	12/13	67%	2/3	90%	9/10
Christos Megalou*	100%	19/19	-	-	-	-	-	-	-	-	50%	1/2	-	-
George Georgakopoulos*	83%	15/18	-	-	-	-	-	-	-	-	100%	2/2	-	-
Venetia Kontogouris	95%	18/19	-	-	-	-	100%	6/6	-	-	100%	3/3	100%	10/10
Arne Berggren	84%	16/19	71	10/14	100%	6/6	100%	6/6	84%	11/13	67%	2/3	70%	7/10
Enrico Tommaso Cucchiani	79%	15/19	-	-	83%	5/6	83%	5/6	-	-	67%	2/3	80%	8/10
David Hexter	89%	17/19	93%	13/14	83%	5/6	-	-	100%	13/13	67%	2/3	80%	8/10
Solomon Berahas	100%	19/19	100%	14/14	100%	6/6	-	-	100%	13/13	100%	3/3	-	-
Alexander Blades	89%	17/19	93%	13/14	100%	6/6	100%	6/6	-	-	100%	3/3	90%	9/10
Per Anders Fasth*	100%	18/18	92%	12/13	80%	4/5	80%	4/5	92%	12/13	100%	3/3	100%	9/9
Periklis Dontas**	100%	1/1	-	-	-	-	-	-	-	-	-	-	-	-

*Differences in to the total number of Board/Committees' meetings are due to the date of replacement of such person.
** Presence of Mr. Periklis Dontas in any BoD Committees' meetings of December 2019 is not depicted in the above table as said meetings took place before the BoD meeting at which he was elected as a non-executive member, Representative of the HFSF.

2.5 Roles and Responsibilities

Pursuant to Article 15 of the Bank's Articles of Association, the Board of Directors represents the Bank and is qualified to resolve, without restriction, on any issue relating to the Bank's management, administration of its property and the pursuit of its business objectives in general. The Board of Directors may not resolve on issues which, in accordance with the Greek Law and the Articles of Association, fall within the exclusive responsibility of the General Meeting.

Under Article 16 of the Bank's Articles of Association, the Bank is represented by its Board of Directors, which may delegate authority relating to the representation of the Bank and also the exercise of all or some of its powers or responsibilities, except those requiring collective action, to one or more persons whether members of the Board of Directors or not, setting out the extent of the powers conferred upon them. Under the above provisions of the Articles, the Board determines the system for representing the Bank and the limits within which the authorized representatives can act.

The Bank's Regulation states that the prime obligation and duty of the Board Members is the continuous pursuit of enhancing the Bank's long-term economic value and the protection of the general corporate interests. It is also stated that the Board of Directors is responsible for drawing up and adopting a detailed Business Strategy extending for at least one year defining clear business objectives, both for the Bank itself and for the Group[6].

[6] Detailed information on the operation and the roles and responsibilities of the BoD is included in Bank's Regulation which is available to the Bank's official webpage.

Principal activities and significant issues considered during 2019

In the performance of its duties for 2019, the Bank's Board of Directors inter alia:

<u>In relation to Corporate Governance issues</u>

- prepared and convoked the Bank's Shareholders General Meeting;
- conducted the annual evaluation of the Board and the Board Committees;
- conducted the Managing Director's performance evaluation for 2018 based on appropriate tailor made questionnaire and approved the mid-year Managing Director's evaluation for 2019;
- set and approved the key performance indicators (KPI's) of the Managing Director for 2019, according to the revised Business Plan of the Bank;
- approved the Terms of Reference of the Board Ethics and Governance Committee and the revision of the Terms of Reference of the Nomination Committee and the Remuneration Committee;
- approved the revision of the Board Diversity Policy;
- approved the revision of Group's Remuneration Policy and the adoption of the Directors' Remuneration Policy (which was submitted for approval and approved by the General Meeting of Shareholders on 28.06.2019) upon respective recommendation of the Nomination Committee;
- approved the Board Succession Policy and the Managing Director's Succession Planning Policy, upon respective recommendation of the Nomination Committee;
- was updated on Board Committees' issues on a monthly basis.

<u>In relation to Audit and Compliance issues, the BoD approved the following:</u>

- the Action Plan for 2019 of Group's Internal Audit and Compliance Units;
- the annual report of the Responsible Officer (MLRO) on AML/CFT for 2018;
- the Group Internal Audit (GIA) Annual Report on the Internal Control System (ICS) for 2018 and assessment thereof;
- the Group Compliance Annual Report for 2018;
- the Report on the Assessment of the suitability of the measures taken by Piraeus Bank in connection with the safeguarding of financial instruments as well as the use of client's financial instruments according to Law No. 4514/2018.

<u>In relation to Risk Management issues, the BoD approved the following:</u>

- the Capital and Liquidity Adequacy Statements (CAS/LAS) for 2019;
- the Risk Appetite Framework (RAF) for 2019;
- the Group Risk and Capital Strategy for 2019;
- the Internal Capital & Liquidity Adequacy Assessment Process (ICAAP & ILAAP 2019);
- the annual review of the Bank's Recovery Plan.

The BoD was also updated on the following:

- the Bank's results in relation to the review of the Bank's new risk adjusted returns methodology and
- The 2018 Stress Test conducted by the ECB.

In relation to corporate actions and granting authorizations the BoD approved the following:

- the completion of the strategic partnership with Intrum company regarding the servicing of receivables of NPEs and part of the Bank's real estate portfolio;
- sale of NPEs shipping portfolio (project Nemo);
- the approval of the final restructuring plan of ''Hellenic Sugar Industry''.

In relation to business monitoring, financial information, Bank's policies and relevant updates the BoD approved the following:

- the 2018 annual financial statements and the 2019 interim financial statements;
- the Group annual budget for 2020;
- the revision of the Bank's strategy on the NPEs Operational Targets for the period 2019-2021;
- the revision of the Bank's Business Plan, based on the revised Non Performing Exposures reduction plan for 2019-2021;
- the revision of Group Write- Off Policy;
- the implementation of Voluntary Exit Schemes in July and October 2019;
- the annual update of Euro Term Medium Note Program and the substitution of PIRAEUS FINANCE PLC as issuer of subordinated guaranteed Notes by Piraeus Bank S.A, and;
- the payment of contingent convertible securities (CoCos) in December 2019.

The BoD was also updated on the following:

- the progress of the IFRS 9 and IFRS 16 thematic review;
- the assignment of non-audit services to the Bank's statutory auditors.

2.6 Induction and Training of Board members

The Bank implements an induction procedure for newly elected/ appointed Board members aiming to facilitate the Board members' understanding of the Group and the Bank's structure, business model, risk profile, governance arrangements and the role of the member(s) within them. In that context, the Bank ensures that they are provided with all the information and training necessary to enable them to contribute appropriately to the operations of the Board and to the accomplishment of its mission.

Upon the election of a new member by the General Meeting of Shareholders or appointment by the Board of Directors, a letter of congratulations and welcome is addressed to her/him by the Company Secretary, accompanied by a detailed induction pack (a living document which provides them with a wide range of information about the Bank and the Board, comprising of material such as the articles of association, the internal regulation, information on the obligations deriving from their membership, the Board meetings schedule for the year etc).

Prior to attending their first Board meeting, members are welcomed by the Chairman of the Board and meet with the CEO and the top executive management of the Bank, with the opportunity to ask questions with reference to the Bank and its operations. New members are also briefed on issues the Board of Directors is dealing with at the moment, or will be looking at in the future. In case of multiple new memberships, induction day seminars are organized and attended by the new members.

Following the fit and proper suitability assessment the new members are submitted to, it is expected and recognized that they possess sufficient knowledge, experience and expertise to fulfill their role. Nevertheless, they are not necessarily experts in all disciplines, business areas or governance aspects. Therefore, training is a key driver of continued board effectiveness and an ongoing commitment of Board members and the Bank.

The Bank makes available the financial and human resources to implement proper induction and training programs and encourages initiatives aiming to improve the collective or individual skills, knowledge or competence of Board members on an ongoing or ad-hoc basis. The Corporate Secretary, in collaboration with the Group Human Resources Division, is responsible for producing the annual training schedule. The Nomination Committee sponsors and oversees the training schedule for the members of the Board, on an ongoing basis. In addition, regular presentations by management and staff to the Board and Committees are performed in order to educate or keep them informed on changes within the Bank or on legal, regulatory, market and industry requirements and standards. In addition, once a year, Board members attend (one-day/two days) Strategy Seminars where top executive management presents the results, goals, challenges faced by the organization. Personalised educational programs may be designed and implemented, where needed.

During 2019, the training initiatives for the BoD members included programs, attended by the majority of BoD members, on the following subjects: Mega Trends, Resolution Planning and MREL, the MREL framework and its implications in the Bank's business model.

2.7 Assessment of the Board of Directors

The Board Assessment for 2019 has been assigned to an external independent consultant but the results are not available at the date of the publication of the Annual Financial Report due to communication difficulties resulting from the ongoing COVID-19 crisis.

3. Committees

Aiming to constantly improve the organization of the Bank and the Group, responsibility for certain areas requiring expert competence has been assigned to Board of Directors or Executive and Administrative Committees.

The operation of the Committees is governed by the Committees Operating Regulation, which forms part (as an Appendix) of the Bank's Regulation. The Operating Regulation pertains to all the BoD Committees, as well as other Executive and Administrative Committees and Councils subject, however, to the specific Operating Regulation of each Committee which prevails to the extent that it deviates from the general rules laid down to the Committees Operating Regulation.

Composition and Competencies of Committees: Subject to the provisions of the legal and regulatory framework and their specific Operating Regulations, the composition, the mission and the competencies of each Committee are defined by the decisions of the body, which is responsible for the incorporation or specification of each Committee's responsibilities and are included in the Chairman's Acts (provided that they pertain to the Board of Directors' Committees) and Management Acts, which are issued by the CEO (provided that they pertain to other Executive and Administrative Committees).

Operation of Committees

Invitation: The Committee convenes, following the Chairman's invitation, as many times as required necessary for the fulfillment of its mission. The frequency of meetings is defined as per Committee by the instrument of its constitution, or, if it is not defined, the administrative Committees convene at least once a month. The invitation defines the agenda, place and time of Committee's meeting. Each member of Committee is entitled to request its convocation in writing in order to discuss specific issues. The Committee's members, including the alternate members, receive the issues of the Daily Agenda at least two (2) days prior to the meeting date.

The alternate members substitute the regular ones, in accordance with the provisions of the Operating Regulation of each Committee and, within this framework, they participate in the Committee's meeting, as required, following relevant notice by the Committee's secretary.

Each Committee's Operating Regulation may provide for the participation of the Bank's employees, officers or advisors in the meetings of the same, on the condition that their participation is considered to be necessary, due to their area of expertise, for the more effective operation of the Committee The aforementioned individuals' role is to propose or provide clarifications on the daily agenda issues of the committee and have no voting right upon decision-making. Besides the above-mentioned, the Committee is entitled to invite to its meetings as many of the Bank's employees, officers or advisors as it considers advisable or useful, who are present, however, without a voting right.

Quorum – Decisions - Alternate members: For decision-making, a quorum of more than 50% of its members is required with personal presence either at the place of its meeting or at another place using the teleconference tools.

Subject to the attainment of quorum according to the aforementioned, a member of the Committee may authorize in writing, in case of hindrance, another member in order to represent him/her at a specific meeting and vote on his behalf for the issues of the daily agenda. Provided that the existence of alternate members is provided for in each Committee's Operating Regulation, the member, who is hindered, may be represented only by the individual designated as alternate member. No member can represent more than one of the other members of the Committee. Unless otherwise prescribed in the relevant terms of reference, Committee decisions are made by a majority of 2/3 of the present members.

Substitution of the Chairman - Replacement of members: The Chairman is substituted, in case that he is absent, by his own decision and where it has not already been specified, by a member of the Committee, or if no such a decision is made, by a senior present member of the Committee (in terms of the duration of his presence in the Group). In the case of members' resignation or departure, the Chairman of the Committee recommends either their replacement, or the Committee's operation with its remaining members. For the new composition resulting from the recommendation of the Committee's Chairman and the receipt of the necessary approvals from the responsible approval body of the Bank, the relevant Chairman's Act or another decision of the responsible body shall follow.

Keeping of minutes - Secretariat: Minutes are kept in all the meetings of the Committee, which are validated by the Chairman and the Executive Secretary or the Secretary of the Committee. If an Executive Secretary has been nominated in the Committee, he/she is responsible for collecting the material and information that is useful or necessary for the work of the Committee, suggests the issues for the daily agenda to the Committee's Chairman, handles the Committee's mail with the organizational units and monitors the notification of Committee's decisions to the involved units both at the Bank and Group level. The Secretary of each Committee is responsible for informing the members about the daily agenda, location and time of Committee's meeting, in writing, following the collaboration with the Committee's Chairman, ensuring the timely and correct information of the involved units upon each meeting, organizing the location of Committee with the necessary technological infrastructure. He/she should keep a file of the Minutes with diligence in a safe place. The Corporate Governance Department or the Corporate Secretariat of the Board of Directors provides Secretarial support for Bank's Committees, on a case-by-case basis, if requested. In any case, the Chairman of Committee nominates its Secretary, provided that he/she is not nominated by each of the Chairman's or CEO's Acts.

Special provisions

Provided that a representative of the Hellenic Financial Stability Fund (HFSF) participates as a Member in the Committees pursuant to Greek Law 3864/2010, the following will be applicable additionally by virtue of the RFA:

- The dates of the meetings, the respective agendas and the relevant material are sent to the HFSF Representative and the HFSF Observer by written notice at least five (5) calendar days prior to the meetings. Said documents can be sent through electronic email.
- The HFSF Representative has the right to include items in the agenda of a scheduled Committee meeting by submitting them in writing to the Committee's Chairman, at least one (1) day prior to the Committee's meeting.
- The HFSF Representative has the right to request that the Committee is convened within the next seven (7) calendar days from the HFSF's written request to the Chairman of the Committee. The relevant request shall include the proposed items of the agenda. If the chairman of the Committee does not proceed to the convocation of the Committee within the above deadline or does not include the proposed items in the invitation, then the HFSF Representative shall be entitled to convoke the Committee within five (5) days as of the expiry of the above seven (7) days period. Such invitation shall be notified to all the members of the Committee and to the HFSF Observer.

The number of Committees' meetings and the members' participation are depicted on an aggregated basis in the Board Members Participation in the BoD and the respective committees table above.

- **Board of Directors Committees**

1) Audit Committee

On 31 December 2019, and on the date of the publication of the 2019 Annual Financial Report, the composition of the Audit Committee is as follows:

David Hexter	Chairman, Independent Non-Executive BoD Member
Karel De Boeck	Member, Independent Non-Executive BoD Member
Arne Berggren	Member, Independent Non-Executive BoD Member
Solomon Berahas	Member, Non-Executive BoD Member
Periklis Dontas	Member, Non-Executive BoD Member, HFSF Representative pursuant to Law 3864/2010
Christina Koutkia	Executive Secretary, Assistant Manager
Efi Schiza	Secretary, Senior Officer

It is noted that at its meeting held on 18 December 2019, the Board of Directors elected Mr. Periklis Dontas as Non - Executive Member, HFSF Representative, in replacement of Mr. Per Anders Fasth, following a letter from the Hellenic Financial Stability Fund (HFSF), dated 28 November 2019 and in accordance with the provisions of Law 3864/2010. Therefore, and according to the provisions of Greek Law 3864/2010, he is a member of the Committee with full voting rights.

The HFSF's Observer attends the meetings of the Committee without voting rights.

Governance- Operation

The Audit Committee is comprised of Non-Executive members of the Board, the majority of which are independent within the meaning of the provisions of Greek Law 3016/2002. The Audit Committee is chaired by an Independent Non-Executive member of the BoD who meets the criteria of article 10 par.8 of Greek Law 3864/2010. The HFSF Representative participates as a Member in the Audit Committee, with full voting rights. The Audit Committee is supported by an Executive Secretary and its operation is governed by the Bank of Greece Governor's Act 2577/2006, article 44 of Greek Law 4449/2017, the respective notices, explanations and recommendations of the Supervisory Authorities and additionally by its Operating Regulation.

It is noted that the Chairman of the Audit Committee Mr. David Hexter, Independent Non-Executive member of the BoD, fulfils the criteria of the RFA, has, inter alia, extended experience in Internal Audit and he is considered a financial expert within the meaning of article 10 of Greek Law 3864/2010 and Greek Law 4449/2017. The Committee as a whole possesses appropriate competence and experience for the effective performance of its duties.

The Chief Finance Officer (CFO), Group Chief Audit Executive (CAE), Group Compliance Officer, Group Chief Risk Officer (CRO), and other Executives of Senior Management are invited to attend the Audit Committee meetings. The Group's statutory auditors are invited to attend all meetings.

Based on its Operating Regulation, the Audit Committee meets at least four (4) times a year, of each calendar quarter and extraordinarily, if the circumstances so require. The Audit Committee convened thirteen (13) times during year 2019 and all its decisions were taken unanimously. During each such meeting, the examination and settlement of all of the items of each Agenda was achieved, subject to the prior circulation of the requisite informational documentation and, as appropriate, the scheduled participation of the competent managerial officers, statutory auditors and other experts. Members' attendance rates in the Committee meetings are depicted in the Board Members Participation in the BoD and the respective Committees table above.

Role and responsibilities

The main duties of the Audit Committee based on its Operating Regulation are:

- Supervision and evaluation of the drafting processes of the annual financial statements and interim financial information of the Group and the Bank prior to their publication.
- Supervision of the audit and review of the Group and the Bank's annual financial statements and mid-year interim financial information conducted by the statutory auditors and cooperation with the statutory auditors on a regular basis.
- Ensuring the independence of the external auditors in accordance with applicable Greek Law.
- Proposing to the Board the selection of statutory auditors. Whenever it deems appropriate, the Committee shall also make a proposal for their replacement or rotation; the Committee is responsible for the tender procedure for the appointment of the auditors in accordance with article 16 of Regulation (EU) no. 575/2014 in conjunction with article 44 of Greek Law 4449/2017 and article 13 of Greek Law 3864/2010.
- Identifying weaknesses, making recommendations and monitoring the implementation of measures decided by the Board of Directors.
- Proposing measures for specific areas requiring further investigation by internal or external auditors.
- Monitoring and annual evaluation of the adequacy and effectiveness of the Internal Control System (ICS) for the Group and the Bank, based on the data and information provided by the Group Internal Audit as well as by the statutory auditors

and other supervisory bodies.

- Evaluating the work of the Group Internal Audit, focusing on issues related to the degree of its independence, the quality and scope of its audits, the priorities determined by changes in the economic environment, the systems and in the level of risks and the overall efficiency of its operation.
- Determining the scope and appointing an external audit firm to assess the adequacy of the Internal Control System (ICS), periodically, and at least every three years.
- Monitoring and evaluating on an annual basis the work of the Group Compliance Division.
- Monitoring and evaluating on an annual basis the Report on Money Laundering and Terrorist Financing prepared by the Group Chief Compliance Officer.

How the Committee discharged its responsibilities during 2019

Regarding **Financial Reporting,** the Audit Committee:

- Reviewed the Group and the Bank's critical accounting estimates and judgments and their application to the Group and the Bank's quarterly interim financial information and annual financial statements.
- Reviewed the quarterly interim financial information and annual financial statements prior to their publication, discussing and asking for clarifications on the accounting standards implemented and suggested to the Board their approval.
- Was notified on the progress of the implementation of IFRS 16 Leases that was adopted by the Group and the Bank on 1 January 2019.
- Was notified on amendments to accounting policies in accordance with the RFA of the HFSF.

Regarding **Internal Control System (ICS),** the Audit Committee:

- Promoted the continuous strengthening of the ICS as a strategic priority for the Board of Directors (BoD) and Management of the Group and the Bank, as well as the procedure for the development and integration of the appropriate internal control mechanisms, with the objective of the further improvement of the operational risks that the Group and the Bank face in the totality of its operations. The Audit Committee was also notified on the progress of the project "Enhancement of the Internal Control System".
- Assessed the effectiveness of the ICS and any developments affecting it, in support of the Board's assessment. In order to carry out its assessment the Audit Committee:
  - Discussed with Management the internal control deficiencies as well as the implementations of remediation actions, following recommendations of the internal and external auditors as well as the Supervisory Authorities.
  - Examined and discussed reports and information regarding the ICS pursuant to the quarterly reports complied by the Group Internal Audit.
  - Reviewed and approved the ICS annual evaluation report for 2018 and its final assessment in respect to the operation of the ICS, that was submitted to the Bank of Greece – in accordance with the provisions of Bank of Greece's Governor's Act 2577/2006 – in June 2019. The report was also submitted to the Board of Directors for further approval. The respective report for 2019 will be reviewed by the Audit Committee and will be submitted to the Bank of Greece in June 2020.
- Was notified of the Bank of Greece's audits and assigned additional special audits to Group Internal Audit.

Regarding **the External Audit,** the Audit Committee:

- Reviewed the statutory auditor's audit plan and methodology for the interim review and the annual audit, the extended independent auditor's report and audit findings.
- Reviewed and proposed to the Board the fees for audit and permissible non-audit services to Deloitte for the year ended 31 December 2019. For 2019 total fees amounted to 4 million, of which € 1 million or 18% relates to permissible non-audit services. All non-audit services provided by the statutory auditor were pre-approved by the Audit Committee in accordance with the auditor independence policy to ensure that services do not create a conflict of independence in accordance with EU Regulation 537/2014 and Greek Law 4449/2017. A further breakdown of the fees paid to the auditors for each of the last two financial years can be found in Note 46 in the Annual Financial Statements.
- Considered Deloitte independent and Deloitte, in accordance with professional ethical standards, provided the Audit Committee with written confirmation of its independence for the duration of 2019.
- Requested the presence of the statutory auditors in every Audit Committee meeting. The statutory auditors attended all Audit Committee meetings in 2019. The Audit Committee Chairman maintained regular contact with the audit partner throughout the year.
- Assessed the effectiveness of Deloitte as the Group and the Bank's statutory auditor as part of its self-assessment process using a questionnaire which focuses on the overall audit process, its effectiveness and the quality of output.

Regarding Group Internal Audit, the Audit Committee:

- Monitored the implementation of the Group Internal Audit Annual Action Plan for year 2019 and concluded that the Group Internal Audit was effective.
- Was notified of the Group Internal Audit Annual Action Plan for year 2020, resource and budget, approved its implementation and submitted it for approval to the Board of Directors.
- Reviewed the performance and effectiveness of the Group Chief Audit Executive who reports functionally to the Chairman of the Audit Committee and administratively to the Group Chief Executive Officer. The Audit Committee held several meetings with the Chief Audit Executive without other Management members being present.

Regarding **Group Compliance,** the Audit Committee:

- Monitored the implementation of the Group Compliance Annual Action Plan for year 2019 and concluded that Group Compliance was effective.
- Was notified of the Group Compliance Annual Action Plan for year 2020, approved its implementation and submitted it for approval to the Board of Directors.
- Reviewed and approved the Annual Report of Compliance Manager on Anti Money Laundering (AML) and Anti-Terrorism financing for 2018 based on 281/5/2009 Decision of the Bank of Greece and submitted it to the Board for further approval. The respective report for 2019 was reviewed and approved in February 2020.

Self Assessment

- The Audit Committee carried out its self-assessment for the year 2019. The analysis of the feedback received, revealed that the Audit Committee performed its duties effectively. In particular, it was noted that with respect to its operation, the Audit Committee carried out its duties in accordance with its approved Operating Regulation, which is in compliance with the applicable legal and regulatory framework in force, and is approved by the Board of Directors of the Bank.

Moreover, the level of knowledge, professional experience, as well as the availability and cooperativeness of the Audit Committee members ensured its independence and effectiveness of its performance.

Detailed information on the responsibilities and the operation of the Audit Committee is available on the Bank's website (www.piraeusbankgroup.com)

2) Risk Committee

On 31 December 2019 and to the date of publication of the 2019 Annual Financial Report the composition of the Risk Committee is as follows:

Karel De Boeck	Chairman, Independent Non-Executive BoD Member
Arne Berggren	Member, Independent Non-Executive BoD Member
David Hexter	Member, Independent Non-Executive BoD Member
Alexander Blades	Member, Non-Executive BoD Member
Solomon Berahas	Member, Non-Executive BoD Member
Periklis Dontas	Member, Non-Executive BoD Member, HFSF Representative
Efthymios Kyriakopoulos	Executive Secretary, Chief Risk Officer
Panagiota Kotsakou	Secretary, Head

It is noted that at its meeting held on 18 December 2019, the Board of Directors elected Mr. Periklis Dontas as Non - Executive Member, HFSF Representative, in replacement of Mr. Per Anders Fasth, following a letter from the Hellenic Financial Stability Fund (HFSF), dated 28 November 2019 and in accordance with the provisions of Law 3864/2010. Therefore, and according to the provisions of Greek Law 3864/2010, he is a member of the Committee with full voting rights.

The HFSF's Observer attends the meetings of the Committee without voting rights.

Governance - Operation

The Risk Committee is appointed by the Board of Directors of the Bank and is comprised of Non-Executive Members of the Board of Directors. The number of Committee Members cannot be less than three (3) and in total cannot exceed 40% (rounded up to the closest integer) of the total number of Members of the Board of Directors. At least one third of the Members (rounded up to the closest integer) should meet the criteria for the independence of Board Members, in accordance with Greek Law 3016/2002 and the relevant European Commission Recommendation 2005/162/EC. The Representative of the Hellenic Financial Stability Fund (HFSF) participates as a member in the Risk Committee with full voting rights.

The Chairman of the Committee is appointed by the Board of Directors, must meet the criteria of art.10 par.8a) of Greek Law 3864/2010 and have significant experience in commercial banking and, preferably, in risk and capital management, as well as familiarity with the local and international regulatory framework. The office of Chairman of the Board of Directors is incompatible with that of Chairman of the Risk Committee, while the Chairman of the Risk Committee cannot simultaneously serve as Chairman of the Audit Committee of the Bank.

The Chairman of the Risk Committee, Mr. Karel De Boeck has, inter alia, extended experience in risk management and is considered an expert within the meaning of art.10 of Greek Law 3864/2010.

The Members of the Risk Committee must have adequate knowledge and previous experience in the financial services sector or the commercial banking sector, with at least one Member specializing in the fields of risk management and capital adequacy, as well as being familiar with the local and international regulatory framework.

The Risk Committee is aided by an Executive Secretary and a Secretary. The Executive Secretary is appointed by the Board of Directors and is the Chief Risk Officer of the Group, performing the duties set out in the regulatory framework in force (Bank of Greece Governor's Act 2577/2006). In the performance of his duties, he reports directly to the Risk Committee and is subject to audit by the Group Internal Audit.

The term of office of the Risk Committee's members cannot exceed the term of office of the Board of Directors (three years), but the Board of Directors is entitled to cease or replace them at any time.

The presence, participation and voting of a Risk Committee member during the discussion of an issue in which he has a conflict of interest is not permitted. Decisions that concern the establishment of policy, procedures, terms or criteria for risk management or other issues of general application do not come under the previous prohibition.

Minutes are kept for all Risk Committee meetings and are certified by the Chairman and the Executive Secretary of the Risk Committee.

The Committee convenes, upon its Chairman's invitation, as often as it is deemed necessary to carry out its duties, but no less than once per month. In order to fulfill its duties, the Risk Committee held fourteen (14) meetings during 2019.

Members' attendance rates in the Risk Committee meetings are depicted in the Board Members Participation in the BoD and the respective Committees table above.

The mission of the Risk Committee is inter alia to:

- Ensure that the Group and the Bank has a well-defined strategy for risk management and risk appetite. The Group and the Bank's risk appetite is structured through a number of quantitative and qualitative statements, including specific limits, for the material undertaken risks,
- Ensure that all forms of risk (including operational risk) connected to the activity of the Group and the Bank are covered effectively
- Ensure that the Group and the Bank's risk appetite is clearly communicated to the entire Bank and its subsidiaries and constitutes the basis for the development of risk management policies and risk appetite limits at the Group and the Bank level
- Ensure the integrated control of risk management, the specialized management of risks and the necessary coordination at the Group and Bank level.

Roles and Responsibilities

The Risk Committee is responsible for performing the duties set out in the internal Operating Regulation, so as to be able to assist the Board of Directors in its work concerning the:

- Existence of an appropriate risk management strategy and the definition of maximum acceptable risk levels, as well as the supervision of their application
- Establishment of principles and rules that will govern risk management as regards the identification, assessment, measurement, monitoring, control and management of such risk,
- Development of an internal risk management system and the incorporation of suitable risk management policies in the

business decision making process,

- Compliance of the Group and the Bank, through strict and reliable procedures, with the requirements of the regulatory framework for the risk management function.

Additionally, the Risk Committee controls the independence, adequacy and effectiveness of the operation of the Risk Management Division of the Group and the Bank.

How the Risk Committee discharged its responsibilities during 2019

- Evaluated and made recommendations to the Board of Directors in respect to major risk related strategic/priority actions that required the approval of the latter, including, indicatively and not exhaustively, the:
  - Risk & Capital Strategy and Risk Appetite Framework
  - Revised NPE Plan 2019-2021
  - NPE servicing transaction implementation (including high-level operational risk assessment process)
  - NPE Inorganic Transactions
  - Hellenic Asset Protection Scheme (Hercules) and pertinent securitization transactions
  - EBA Stress Test Exercises
  - Action Plans on Regulatory/Supervisory Assessments
- Assessed the adequacy and effectiveness of the risk management policies and in particular of compliance with the established risk appetite limits and early warning levels
- Evaluated and made recommendation to the Board of Directors in respect to credit proposals that required the approval of the latter, both for performing and non-performing exposures
- Obtained an overview and provided update to the Board of Directors on Risk Management's reports regarding the profile of the key risks undertaken as well as the alignment with the risk management framework and risk appetite limits
- Obtained an overview and provided update to the Board of Directors on the loan portfolio management, including performance of:
  - performing exposures
  - non-performing exposures (NPLs and NPEs) and pertinent operational targets for their reduction
- Obtained an overview (jointly with Audit Committee) and provided update to the Board of Directors in respect to the implementation progress of the Action Plans on Regulatory / Supervisory Assessments
- Obtained an overview (jointly with Audit Committee) and provided update to the Board of Directors in respect to the implementation progress of the major projects related to operational risk and internal control enhancement
- Evaluated and provided recommendation to the Board of Directors in respect to the development, documentation, re-assessment and monitoring of the:
  - implementation of the Internal Capital Adequacy Assessment Process
  - implementation of the Internal Liquidity Adequacy Assessment Process
  - Recovery Plan
- Evaluated and provided recommendation to the Board of Directors, when required, in respect to risk related Policies, including IFRS 9 Impairment Policy for Loans and Advances, Write-off Policy, Internal Control System Policy and Servicer Instruction Manual (Credit Policy).

Detailed information on the responsibilities and the operation of the Risk Committee is available on the Bank's website (www.piraeusbankgroup.com).

3) Remuneration Committee

On the date of the publication of the 2019 Annual Financial Report, the composition of the Remuneration Committee is as follows:

Arne Berggren	Chairman, Independent Non-Executive BoD Member
Enrico Tommaso Cucchiani	Member, Independent Non-Executive BoD Member
Venetia Kontogouris	Member, Independent Non-Executive BoD Member
Alexander Blades	Member, Non-Executive BoD Member
Periklis Dontas	Member, Non-Executive BoD Member, HFSF Representative
Maria Zapanti	Secretary, Corporate Secretary, Senior Director of Corporate Governance & Corporate Secretariat

It is noted that at its meeting held on 18 December 2019, the Board of Directors elected Mr. Periklis Dontas as Non - Executive Member, HFSF Representative, in replacement of Mr. Per Anders Fasth, following a letter from the Hellenic Financial Stability Fund (HFSF), dated 28 November 2019 and in accordance with the provisions of Law 3864/2010. Therefore, and according to the provisions of Greek Law 3864/2010, he is a member of the Committee with full voting rights.

On 13 March 2020, following her replacement, Ms. Makarigaki, General Manager, Group Human Resources, ceased to be the Executive Secretary of the Committee.

Moreover, the HFSF Observer attend the meetings of the Committee without voting rights.

Governance - Operation

According to its Terms of Reference revised in June 2019, the Remuneration Committee is appointed by the Board of Directors of the Bank and consists of at least three (3) members of the Board of Directors, while the total number of its members should not exceed 40% of the BoD Members including the HFSF Representative who participates with full voting rights. The majority of the members must be independent as per the definition of an Independent BoD Member of article 4 of L 3016/2002, currently in force. The Chairman of the Committee should be an Independent Non-Executive member meeting the criteria of ar. 10 par. 8 of Greek Law 3864/2010, as currently in force. The Committee, as a body, should have knowledge, expertise and professional experience in remuneration related issues, risk management and control activities. At least one (1) member of the Committee should also be a member of the Risk Committee to oversee alignment of the Remuneration Policy with the Bank's Risk and Capital Strategy.

The Members of the Remuneration Committee are not permitted to hold parallel positions or offices or to conduct transactions, which might be deemed incompatible with the remit of the Remuneration Committee. Participation in the Remuneration Committee does not preclude the possibility of sitting on another Committee of the Board of Directors.

The Remuneration Committee shall meet at the invitation of the Chairman whenever he/she deems it necessary for the execution of its remit, but no less than four (4) times in each calendar year. Resolutions may only be adopted when a quorum of at least half of its members are present. Resolutions of the Committee are adopted by majority vote of the members present.

The Remuneration Committee is supported in its work by the Bank's Units (particularly the Group HR and Organisational Learning and Group Internal Audit Departments) and is entitled to recruit external consultants and to define the terms of cooperation with them, their fees being charged to the Management's budget.

The Remuneration Committee held six (6) meetings during 2019. Members' attendance rates in the Committee meetings are depicted in the Board Members Participation in the BoD and the respective Committees table above.

The mission of the Remuneration Committee is to design, monitor the implementation and periodically review the Group's remuneration policy, in accordance with Bank of Greece Governor's Order 158/1/10.5.2019, also bearing in mind the provisions of Greek Laws 3864/2010 and 4261/2014, as currently in force and the alignment with the Bank's strategic goals. In the execution of its duties, the Remuneration Committee takes into account the Risk appetite framework of the Bank, the long-term interests of shareholders, investors and other stakeholders. In the scope of Remuneration Committee is also included the monitoring of a framework implementation that objectively evaluates performance and is directly linked to the determination of the remuneration of employees, risk takers and non-risk takers, the implementation of the Bank´s talent management and succession planning policies as well as the implementation of strategies with the purpose of building a Corporate Culture that will support the Bank´s objectives and vision. The competences of the Committee relate both to Piraeus Bank and to subsidiaries included in the consolidation.

Roles and Responsibilities

The Remuneration Committee, inter alia:

- Reviews annually the Group's Remuneration Policy as well as the findings and recommendations made by the Group Internal Audit Unit regarding a potential revision of the Policy;
- Evaluates on a regular basis the remuneration of Executive and Non-Executive BoD Members as well as the senior executive management;
- Makes a recommendation to the Board of Directors, on an annual basis, regarding the remuneration of executive and non-executive BoD members for the coming period;
- Assesses the compliance of proposed variable remuneration schemes to current legislation and recommendations as well as their consistency with the Bank´s risk appetite and strategies;
- Assesses whether the proposed remuneration packages for senior executives of the Bank´s independent control functions are compliant with the Group´s remuneration policy for these positions (i.e. Risk Management, Internal Audit & Compliance);
- Periodically reviews the Bank´s policy regarding staff loans and other benefits and monitor the credit exposure of the staff and executive management with a specific emphasis on potential NPEs;
- Regularly monitors pay equality and presence of discrimination based on gender, age or Bank of origin;
- Reviews and proposes to the Board the goals and objectives relevant to the CEO compensation and evaluate the CEO's performance in light of these goals and objectives;
- Reviews and recommends for BoD approval policies related to remuneration and critical HR issues that the Bank is required to share with external parties and present in the Annual Meeting of Shareholders, such as the Directors' Remuneration Policy and the Annual Remuneration Report for Directors;
- Reviews and provides required information to be submitted to the Annual Meeting of Shareholders for the activities the committee exercises.

How the Remuneration Committee discharged its responsibilities during 2019

- Provided a statement that it is in compliance with the provisions of Greek Laws 3864/2010, Greek Law 4261/2014 and with the Bank of Greece Executive Committee's Act 158/1/10.5.2019, as in force;

- Reviewed and recommended to the Board of Directors variable remuneration proposals for various categories of staff (risk takers, non-risk takers etc.) related to incentives and business objectives;
- Reviewed the Remuneration Committee's Activity Report for 2018;
- Reviewed and recommended to the Board of Directors, the Directors' Remuneration Policy, which was submitted for approval to the Annual General Assembly of Shareholders as of 28 June 2019;
- Reviewed and recommended for approval to the BoD the update of Remuneration Committee's Terms of Reference;
- Was updated on the Staff Credit Exposure and Policy;
- Reviewed and recommended for approval to the Board of Directors the Group's Remuneration Policy;
- Reviewed and recommended for approval to the Board of Directors proposals of sign on, severance payments and salary adjustments for Group executives;
- Was updated on the progress of major cost optimization projects (Project Galvin, Voluntary Exit Schemes) and recommended their approval to the Board of Directors;
- Reviewed the main Human Resources projects, such as the creation of a Group corporate culture, the development of human resources through the implementation of new evaluation and performance systems (Become and Achieve) and training programs, the design of a new organization model for the rationalization of hierarchical levels (Job Family Model), as well as the enhancement of corporate responsibility.
- Drew up the Board's proposal to the General Meeting of shareholders in relation to the annual remuneration of the members of the BoD.

Detailed information on the responsibilities and the operation of the Remuneration Committee is available on the Bank's website (www.piraeusbankgroup.com).

Remuneration Committee Statement

According to its Operating Regulation, the Remuneration Committee, in its meeting held on 30 January 2020, declared that the Bank's Remuneration Policy, as such was reviewed and approved by a resolution of the Remuneration Committee of 24 October 2019 and by a resolution of the Bank's Board of Directors of 24 October 2019, is compliant with the provisions of Greek Law 4261/2014 "Access to the activity of credit institutions and prudential supervision of credit institutions and investment firms", Greek Law 3864/2010 "Establishing the Hellenic Financial Stability Fund'', and Bank of Greece Executive Committee's Act 158/1/10.5.2019.

4) Board of Directors Members Nomination Committee

On 31 December 2019 and on the date of the publication of the 2019 Annual Financial Report, the composition of the Board of Directors Members Nomination Committee (Nomination Committee) is as follows:

Arne Berggren	Chairman, Independent Non-Executive BoD Member
Enrico Tommaso Cucchiani	Member, Independent Non-Executive BoD Member
David Hexter	Member, Independent Non-Executive BoD Member
Alexander Blades	Member, Non-Executive BoD Member
Solomon Berahas	Member, Non-Executive BoD Member
Periklis Dontas	Member, Non-Executive BoD Member, HFSF Representative
George Liakopoulos	Executive Secretary, Group General Counsel
Maria Zapanti	Secretary, Corporate Secretary, Senior Director of Corporate Governance & Corporate Secretariat

It is noted that at its meeting held on 18 December 2019, the Board of Directors elected Mr. Periklis Dontas as Non - Executive Member, HFSF Representative, in replacement of Mr. Per Anders Fasth, following a letter from the Hellenic Financial Stability Fund (HFSF), dated 28 November 2019 and in accordance with the provisions of Law 3864/2010. Therefore, and according to the provisions of Greek Law 3864/2010, he is a member of the Committee with full voting rights.

Moreover, the Observer of the the HFSF attend the meetings of the Committee without voting rights.

Governance - Operations

The Nomination Committee is comprised of at least three (3) Members of the Board of Directors while the total number of its Members does not exceed 40% of total BoD Members (excluding the HFSF Representative). All members are non-executive with the majority being independent non-executive The HFSF Representative is an ex officio member of the Committee. An independent non-executive member, meeting the criteria of art.10 par.8a) of Greek Law 3864/2010 is appointed Chairman of the Committee.

The Nomination Committee ensures that the BoD possesses, as a body, adequate knowledge and experience in at least the main activities of the Bank in order to be able to exercise oversight over all its functions, either directly or indirectly through the various BoD Committees set up by statute or at the discretion of the Bank on the basis of the aforementioned Bank of Greece Governor's Act 2577/2006.

The Committee convenes as required on a need-to-meet basis but at least twice every calendar year. The quorum necessary for holding a meeting is at least 2/3 of the total number of Committee members including the HFSF Representative. Decisions of the Committee are taken with the majority of the members present or represented at the meeting.

The Nomination Committee held six (6) meetings during 2019. Members' attendance rates in the Committee meetings are depicted in the Board Members Participation in the BoD and the respective Committees table above.

Roles and Responsibilities

The Nomination Committee is responsible for performing the duties set out in Greek Law and its Terms of Reference which was updated in May 2019.

Nomination Committee is responsible to:

- identify and nominate suitable candidates to be proposed by the Board to the General Meeting for election or re-election upon the expiry of the tenure of the incumbent Board or as replacements for Board positions which become vacant during the Board's term;

- establish a candidate's "independence" in the context of Greek corporate law and relevant EBA guidelines; the Committee also examines the eligibility of any potential nominee with the HFSF requirements;
- review at least annually the structure, size and composition (including the aggregate skillset, knowledge, independence, experience and diversity) of the Board and of its Committees, and make recommendations to the Board with regard to any adjustments that are deemed necessary;
- design the succession planning for the Board and top executive management over the longer term, in order to ensure Board and Management continuity;
- adopt a Nomination Criteria Policy for Board members and review it at least once every two calendar years. The Nomination Criteria Policy will take into account the fit-and-proper criteria set by the EBA as well as the HFSF law (L.3864/2010) specific criteria for Board members in Greek systemic financial institutions;
- adopt a Diversity Policy for Board members and review it on a biannual basis;
- conduct an annual assessment of the effectiveness of the Board and its Committees; also ensure that an annual performance evaluation is conducted for the Chief Executive Officer and the other Board executives which will be reported to the Board;
- liaise with the HFSF in all matters pertaining to the Committee's mandate including coordinating the Board evaluation process carried out by the HFSF under the RFA and any follow up thereon;
- evaluate the independence of the incumbent non-executive Board members once every two years;
- adopt and monitor the application of an Induction and Training Policy for Board members; also the Committee will review the Induction and Training Policy at least once every two years and amend it, when it is deemed appropriate;
- oversee the induction and training programs for members of the Board, both on their initial appointment and on an on-going basis.

The Nomination Committee in carrying out its duties takes into account on an ongoing basis and to the extent feasible, the need to ensure that during its decision-making, the Board is not unduly affected by the will of one person or of a small group in a manner prejudicial to the interests of the Bank as a whole.

The Nomination Committee may use any resources it deems appropriate, including external consultants, and is provided with adequate funding in order to meet that objective.

How the Nomination Committee discharged its responsibilities during 2019

- Defined and implemented a training program for the members of the Board of Directors on key issues of current interest;
- Was responsible for the conduct and completion of the self-evaluation process for the Members of the Board of Directors; and its Committees for 2018, via a single questionnaire completion;
- Was updated by the CEO with respect to the evaluation of the Group Executive Committee members;
- Developed and recommended for approval by the Bank's Board of Directors the CEO Evaluation Policy;
- Reviewed and recommended for approval by the Board of Directors the update of Nomination Committee Terms of Reference;
- Reviewed and recommended for approval by the Board of Directors the amendment of Diversity Policy for the BoD Members;
- Reviewed and ensured that no conflicts of interest exist between the Bank and the Board of Directors via relevant questionnaire completion;
- Reviewed and recommended for approval by the Board of Directors the Board Succession Planning Policy and the CEO

Succession Planning Process;

- Conducted and completed the CEO's Evaluation for 2018 and the CEO's Mid-Year Assessment for 2019;
- Assessed the Independence as per the RFA criteria for Board Members via relevant questionnaire completion;
- Assigned to a global consulting company the implementation of the Board Succession Planning;
- Initiated the selection process for the appointment of the 2nd Executive Board Member.

Detailed information on the responsibilities and the operation of the Nomination Committee is available on the Bank's website (www.piraeusbankgroup.com).

5) Strategy Committee

On 31 December 2019 and on the date of the publication of the 2019 Annual Financial Report, the composition of the Strategy Committee is as follows:

George Handjinicolaou	Chairman, Chairman of the Board, Non-Executive BoD Member
Karel De Boeck	Member, Vice Chairman of the Board, Independent Non-Executive BoD Member
Arne Berggren	Member, Independent Non-Executive BoD Member
Enrico Tommaso Cucchiani	Member, Independent Non-Executive BoD Member
David Hexter	Member, Independent Non-Executive BoD Member
Venetia Kontogouris	Member, Independent Non-Executive BoD Member
Alexander Blades	Member, Non-Executive BoD Member
Periklis Dontas	Member, Non-Executive BoD Member, HFSF Representative
Maria Zapanti	Executive Secretary, Corporate Secretary, Senior Director of Corporate Governance & Corporate Secretariat

It is noted that at its meeting held on 18 December 2019, the Board of Directors elected Mr. Periklis Dontas as Non - Executive Member, HFSF Representative, in replacement of Mr. Per Anders Fasth, following a letter from the Hellenic Financial Stability Fund (HFSF), dated 28 November 2019 and in accordance with the provisions of Law 3864/2010. Therefore, and according to the provisions of Greek Law 3864/2010, he is a member of the Committee with full voting rights.

The Observer of the HFSF also attends the meetings of the Committee without voting rights.

Governance- Operation

The Strategy Committee is appointed by the Board of Directors of the Bank, is comprised of Non-Executive members of the Board of Directors and is chaired by the Chairman of the Board. The Representative of the HFSF participates as a Member in the Committee with full voting rights. The Committee is supported by an Executive Secretary who is appointed by the Board of Directors.

The competencies of the Strategy Committee refer both Piraeus Bank and its subsidiaries.

The Strategy Committee meets on a monthly basis, at the time and place and with the daily agenda determined by its Chairman. The Chairman may decide to convene an extraordinary meeting of the Strategy Committee or to alter the day or frequency of regular meetings.

Each member of the Strategy Committee has the right to propose or add issues to be further discussed by the Committee. The issues are brought to the attention of the Chairman of the Committee in order to be added into the agenda of the next scheduled or extraordinary meeting of the Committee.

The meetings of the Strategy Committee may be conducted using video conferencing technologies, which do not require the physical presence of members on the same site.

In addition to the members of the Strategy Committee, the following persons are called upon to attend the meetings without voting rights:

(a) the Chief Executive Officer,

(b) the members of the Group Executive Committee, following respective request by the Chief Executive Officer,

(c) the management or executives responsible for various issues tabled for discussion by the Committee following the request of the Chief Executive Officer,

(d) the Chairman's advisor who is responsible on strategy issues.

Minutes are kept for all meetings of the Strategy Committee and are certified by the Chairman and the Executive Secretary of the Committee.

The Strategy Committee takes decisions with a quorum of at least half its members and a 2/3 majority of the members present.

During 2019, the Strategy Committee convened a total of ten (10) times. Members' attendance rates in the Committee meetings are depicted in the Board Members Participation in the BoD and the respective Committees table above.

Roles and Responsibilities

The Strategy Committee is responsible for performing the duties set out in the internal operating regulation, so as to be able to assist the Board of Directors in its work concerning:

- defining the objectives of the Bank's Strategic Plan and provides guidelines on the Bank's Business Plan which will be drawn up by the CEO and the Group Executive Committee and submitted for approval to the Board of Directors;
- monitoring and controlling the implementation of the approved Business Plan;
- follows up on a regular basis, analyzes and submits its suggestion to the Board of Directors on issues concerning strategic choices of the Bank (e.g. capital increases or decreases, acquisitions, mergers, investments or liquidation of strategic participations, strategic alliances, etc), assigns to managers' special missions for the achievement of targets and, when necessary, submits a respective proposal to the Board of Directors;
- monitors, tracks and analyzes arising risks in the implementation of the approved Business Plan and submits to the Board of Directors recommendations on how to address them;
- proposes the above issues for inclusion on the Daily Agenda of the Board of Directors or of the General Meeting of the Bank;
- monitors and submits suggestions to the Board of Directors on all issues of strategic importance for the Group;
- operates as a crisis management committee.

How the Strategy Committee discharged its responsibilities during 2019

- Reviewed and prioritized the ongoing projects in relation to the set out of the Bank's strategy;
- Was updated on the Greek real estate market, the trends, the prospects and potential impact to the Bank's Balance Sheet;
- Reviewed the strategy and governance of Technology (IT) sector in combination with Bank's business;
- Was updated on the main sources of income of the Bank;
- Was updated on Group' strategic targets until 2023 "Agenda 2023";
- Reviewed the Bank's Corporate and Investment Banking sector strategy;
- Reviewed the Bank's real estate and mortgages sector and the implemented strategy;
- Was updated on the trends and prospects of Small and Medium Enterprises (SMEs) in the banking area, the current and future position of the Bank;
- Was updated on the Bank's activities in Small Businesses sector (SB);
- Reviewed the Banks' staff management plan for the period 2020-2021;
- Reviewed the Corporate Social Responsibility strategy of the Group;
- Reviewed and thoroughly discussed the strategy approaches regarding Asset Protection Scheme (APS) and the reduction of non performing exposures (NPEs);
- Reviewed thoroughly the Group's Real Estate sector, in terms of future strategy initiatives.

6) Board Ethics and Governance Committee

Following BoD's resolution on 28 November 2018, a BoD Ethics Committee was set up in early 2019. Then, following the BoD's resolution of 25 July 2019, the Committee was renamed Board Ethics and Governance Committee. Pursuant to the same resolution, the Committee consists of Non-Executive Board Members and Independent Non-Executive Board Members. Group General Counsel is present in the meetings. Depending on the items of the agenda and, if deemed necessary, other Group Executives may be present.

As at 31 December 2019 and on the day of the publication of the 2019 Annual Financial Report, the Committee's composition is as follows:

George Handjinicolaou	Chairman, Chairman of the Board, Non-Executive BoD Member
Karel De Boeck	Member, Vice Chairman of the Board, Independent Non-Executive BoD Member
Enrico Tommaso Cucchiani	Member, Independent Non-Executive BoD Member
David Hexter	Member, Independent Non-Executive BoD Member
Venetia Kontogouris	Member, Independent Non-Executive BoD Member
Arne Berggren	Member, Independent Non-Executive BoD Member
Solomon Berahas	Member, Non-Executive BoD Member
Alexander Blades	Member, Non-Executive BoD Member
Periklis Dontas	Member, Non-Executive BoD Member, HFSF Representative
Maria Zapanti	Executive Secretary, Corporate Secretary, Senior Director of Corporate Governance & Corporate Secretariat

During 2019, the following changes were made to the composition of the Committee:

- Mr. Christos Megalou and Mr. George Georgakopoulos ceased being members of the Committee on 25 July 2019 following abovementioned BoD Decision.
- At its meeting held on 18 December 2019, the Board of Directors elected Mr. Periklis Dontas as Non - Executive Member, HFSF Representative, in replacement of Mr. Per Anders Fasth, following a letter from the Hellenic Financial Stability Fund (HFSF), dated 28 November 2019 and in accordance with the provisions of Law 3864/2010. Therefore, and according to the provisions of Greek Law 3864/2010, he is a member of the Committee with full voting rights.

The Observer of the HFSF also attends the meetings of the Committee without voting rights.

Governance - Operation

The Committee convenes following the Chairman's invitation, as many times as required necessary for the fulfillment of its mission and at least semiannually.

The Committee meets with a quorum of at least half of its members (any decimal number is rounded to the next integer) and decides by a majority of 2/3 of the present members.

The Committee convened three (3) times during 2019.

Roles and Responsibilities

The main objective of the Committee is to support the Board and Board Committees by proactively setting, monitoring, supporting and overseeing policies and strategies applied by Management, aiming at generating right values and culture, so that the Bank operates with moral integrity.

The Board Ethics and Governance Committee has the following responsibilities, as defined in its Terms of Reference, with major responsibility, the supervision, monitoring and providing direction to Management:

Ethics related policies:

- makes recommendations to the Board with respect to any revisions to the Bank's Code of Conduct, at least every three years, following proposals made by HR, and clearance provided by the SEAC[7] and ExCo.
- is informed by the Compliance Unit, of significant revisions to the Conflict of Interest Policy, and provides advice on the matter.
- is informed by the Compliance Unit on matters of policies regarding:
  - the fair treatment of customers (products and services design and suitability, sales processes, transparency of fees),
  - compliance with laws and regulations,
  - Politically Exposed Persons,
  - Related Party transactions.

Sound Governance related topics:

- reviews cases of misconduct, relating to BoD members,
- reviews SEAC proposals and makes recommendations to the Board for decisions, when ExCo members are involved,
- provides advice and makes recommendations to the BoD and Management on ethical matters,
- provides advice to the Nomination Committee on cases of conflicts of interest involving BoD members,
- is informed by Internal Audit on matters regarding the Whistleblowing framework, including changes of policies, proper operation of the established procedures, channels offered and progress of the investigations,
- is updated periodically on the Complaints and Grievances procedures, so as to encourage the fair treatment of customers and the proper conduct of business,
- is informed by Internal Audit, Legal Unit, Compliance Unit or HR, on the progress of forensic investigations, litigation cases, regulatory proceedings, or incidents with significant reputational risk, for matters falling within the Committee's competencies,
- is informed by the Chairman of SEAC on cases examined.

Corporate Social Responsibility, community, environmental related topics

- makes recommendations to the Board with respect to the Strategy and policies for the above matters,
- is updated on the action plans and their progress by the pertinent Management Committee,
- oversees the process for the preparation of the Annual Sustainability and Business Report and makes recommendations to the Board regarding the approval of the final report,
- is responsible for the selection, appointment and fees of the External Auditors that provide assurance on the Annual Sustainability and Business Report.
- promotes best practices and ethical behavior considering interests of customers, personnel and society.

How the Board Ethics and Governance Committee discharged its responsibilities during 2019

- Reviewed and submitted of Board approval of the Board Ethics and Governance Committee Terms of Reference
- Was updated on the first time conducted Group Risk culture survey
- Was updated on issues of Board Memberships in organizations other than Piraeus Bank
- Was updated on Group Strategy Corporate Social Responsibility issues

- **Executive and Administrative Committees**

Group Executive Committee

On the date of the publication of the 2019 Annual Financial Report, the composition of the Group Executive Committee is as follows:

Christos Megalou	Chairman, Managing Director, CEO
Athanasios Arvanitis	Member, General Manager, Group Treasurer
Eleni Vrettou	Member, Executive General Manager, Corporate & Investment Banking
Theodoros Gnardellis	Member, Executive General Manager, Group CFO
George Kormas	Member, Executive General Manager, Vice Chairman & CEO Piraeus Real Estate SA
Vassilios Koutentakis	Member, Executive General Manager, Retail Banking & Distribution Network
Efhhymios Kyriakopoulos	Member, Executive General Manager, CRO
Dimitris Mavrogiannis	Member, Executive General Manager, COO Piraeus Support/ Operations
Emmanouil Bardis	Member, Deputy General Manager, CCO
Konstantinos Paschalis	Member, General Manager, CFO
George Liakopoulos	Executive Secretary, Group General Counsel
Kyriaki Gavriilidou	Secretary, Senior Manager, Corporate Governance & Corporate Secretariat

During 2019, the following changes were made to the composition of the Committee: On 28 February 2019, Mr. Constantinos Loizides, Head of Piraeus Legacy Unit – Divestments, resigned. On 15 March 2019, Ms. Fotini Ioannou, General Manager, Corporate & Investment Banking, resigned. Following his resignation on 21 November 2019, Mr George Georgakopoulos, Executive BoD Member and Executive General Manager of the Bank ceased being a member of the Committee. On 13 March 2020, following her replacement, Ms. Makarigaki, General Manager, Group Human Resources, ceased to be a member of the Committee.

Governance- Operation

The Group Executive Committee consists of senior executives of the Bank and is chaired by the CEO, Executive Member of the BoD.

The Committee meets every second Monday upon the invitation of its Chairman, and extraordinarily whenever convened by its Chairman. The invitation sets the agenda, the time and place of the meeting of the Executive Committee.

In order for the Group Executive Committee to reach a decision, a quorum of at least 50% of its members present in person either at the meeting location or at another location via teleconferencing is required.

Group Executive Committee decisions are taken with a 2/3 majority of the members present and represented. The presence, participation and voting of a Committee member during the discussion of an issue in which he has a conflict of interest is not permitted. Decisions that concern the establishment of policy, procedures, terms or criteria for risk management or other issues of general application do not fall under the previous prohibition.

The Group Executive Committee has the right to invite any Bank employees, executives or advisors it deems expedient or useful to its meetings.

Minutes are kept for all Group Executive Committee meetings and are certified by the Chairman, the Executive Secretary and the Secretary.

The responsibilities of the Group Executive Committee relate to both Piraeus Bank and its consolidated subsidiaries.

Roles and Responsibilities

Authorised by the Board of Directors of Piraeus Bank, the Group Executive Committee has the following responsibilities, which it may delegate or assign to administrative Committees, Committee Members or Bank executives.

- It monitors the implementation of both the Business Plan of the Bank and of the Group and makes the necessary decisions for achieving the Plans' goals.
- It establishes the directions of the Budget and proposes the Annual Budget to the Board of Directors.
- It supervises and monitors the progress of the Group's subsidiaries, at home and abroad.
- It establishes administrative committees and determines their composition and competencies.
- It approves, complements or amends the Group's Accounting Policies, following a recommendation by the Piraeus Financial Management & Control.
- It determines the interest rate policy and the pricing of the products and services offered by the Bank.
- It approves the introduction of new and significant changes to existing products and services of the Bank, as well as restructuring products, and defines their pricing policy before they are made available to clients.
- It approves the marketing strategy and monitors its implementation and effectiveness.
- It approves the Group's technological infrastructure strategy.
- It approves proposed partnerships in sectors or fields of the economy, following a recommendation by the Heads of the competent business units or support units.
- Approves the principles and rules of Credit Policy, as well as the regulations, manuals, policies and procedures of Credit Policy, which enter into force for the implementation of these principles, as well as any of their amendments, following the agreement with the Chief Risk Officer, except for the amendments of Risk Appetite, which are approved by the Risk Committee.
- It monitors and supervises the observance of Corporate Governance rules and programs and decides on taking regulatory compliance measures following the recommendation of competent Units or Committees.
- It approves human resources programs (voluntary departure, fees, insurance and other contributions), always within the framework of the approved Croup Remuneration Policy, having been assigned the related competency of Article 3(2) of Greek Law 3016/2002 by the Board of Directors.
- Approves the Executive's promotions to a grade higher than the one of Manager.
- It sets, within the range of its own approval limits, the approval limits of the Bank's Management Committees and executives on issues not related to financing approval.
- It informs the Board via its Chairman at least once every quarter that the operation of the Group Executive Committee is in accordance with the Bank's operational strategy and risk strategy.

- **Internal Control System**

The Internal Control System (ICS) is a set of detailed, documented control mechanisms embedded in policies and procedures covering continuously every activity and transaction and contributing to the Group and the Bank's effective and efficient operations.

Management is responsible for establishing and maintaining an adequate and effective internal control system within the Group as well as relevant procedures and practices. Management also monitors, systematically the adequacy and effectiveness of the existing ICS and implements promptly any actions required for a sustainable response to and mitigation of Operational Risk, while in the same time takes care of the development and enhancement of the ICS on a Group and Bank level. At the same time, with appropriate early warning systems, Management controls the consistent application of the ICS in the Units, as well as the full compliance of all concerned parties with the principles and objectives of the ICS.

The establishment of the ICS aims in particular to:

- the consistent implementation of the business strategy of the Group and the Bank with effective use of existing resources
- the identification and management of risk exposures and potential risks,
- ensure the completeness and reliability of the data, which are necessary for the preparation of reliable financial statements in accordance with IFRS and generally for the accurate and timely determination of the financial position of the Group and the Bank
- the compliance with legislative and regulatory framework governing the operations of the Group and the Bank,
- conduct periodic and/or occasional audits by the relevant Units of the Group Internal Audit Unit to establish consistent application of prescribed rules and procedures by all Business Units of the Group and the Bank.

Under the current institutional framework, the Bank's Internal Control System is supported by an integrated communications and Management Information System (MIS), also by inter-complementary mechanisms, forming an integrated system for controlling and auditing both the Bank's organizational structure and operations.

The Audit Committee monitors and evaluates on a yearly basis the adequacy and effectiveness of the Internal Control System on an individual basis and at Group level, based on the relevant data and information of the Group Internal Audit, the Compliance Division, the findings and observations of the statutory auditors and supervisory authorities. The Audit Committee also reviews the effectiveness of the Bank's compliance procedures with the laws, rules and regulations of the supervisory authorities.

Periodically and at least every three years, upon recommendation of the Audit Committee, an independent chartered public auditor, other than the Group and the Bank's external statutory auditor, is appointed to assess the adequacy of the ICS at Group and the Bank level. The relevant evaluation report is communicated to the Bank of Greece within the first half of the year following the expiration of the three years.

The Audit Committee has an enhanced role as to the financial reporting. Amongst others[8]:

- it informs the BoD of the outcome of the statutory audit and explains how the statutory audit contributed to the integrity of financial reporting and what the Audit Committee's role was in that process;
- monitors the financial reporting process and submit recommendations or proposals to ensure its integrity;
- monitors the effectiveness of the internal quality control and risk management systems and internal audit, regarding the

[8] Detailed information on the responsibilities of the Audit Committee are mentioned in the respective section above

financial reporting, without breaching the Bank's independence;

- monitors the statutory audit of the annual and consolidated financial statements, in particular, its performance, taking into account any findings and conclusions by the supervisory authorities;

The Group and the Bank faces significant risks from the growing dependence on information and integrated information systems that they host and process, from the growing systems interfaces with clients and third parties, from the ongoing organizational and technological changes imposed by business needs, but also by the daily appearance of new technological and other threats. In order to minimise the aforementioned risks and protect its IT Assets, Management has designed and implemented strong IT Security controls. These controls include but are not limited to the following areas:

- User Access Management over applications, operating systems and databases
- Change Management processes governing changes to applications and systems
- Monitoring of daily IT operations (system interfaces, scheduled data flows/jobs and system backups)

The key objectives of the IT Controls, is the appropriate management of the user access rights within its IT infrastructure. The ultimate goal is to eliminate unauthorized access, omissions of errors during access management and compliance with regulatory requirements and standards. In order to meet the above objectives, the following have been implemented:

- Comprehensive and clear User Access Management Policies and Procedures.
- Implementation of a Centralized User Access Control System (IdM). Access provisioning, user termination and job code changes are performed automatically by IdM through a daily feed from HRMS (Human Resource Management System) eliminating human intervention.
- Access rights are based on duties resulting from the job role (Role-Based Access Control - RBAC Method).
- In order to maintain segregation of duties, roles are designed by Organization Department and uploaded in IdM by Group IT security and Control Office.
- User access provisioning as well as termination to shared file folders and specific applications is managed by an authorization procedure.
- Periodic reviews of users with privileged access are performed in applications that are not managed via IdM. Any deviation is recorded and corrective actions are taken.
- Periodic reviews of the domain administrator list and users with remote access via RSA tokens are performed by Group IT Security and Control Office.
- Foreign subsidiaries user's access are reviewed in order to identify terminated employees with access to Piraeus Bank Domain.
- Privileged access rights are controlled by special security mechanisms that include strict access control limited to persons that is completely necessary to have such privileges as well as password management. That is supported by full documentation and management of all privileged Used IDs and by the implementation of a password and access control management system (Thycotic) that monitors and logs actions when privileged access is used.
- Logging and reviewing of administrators actions are performed on critical systems (Observe IT, ArcSight)

Information and Telecommunication Systems are critical components for the achievement of the Group's and the Bank's business objectives and strategies and decisively contribute to the implementation and management of its business functions. In order to protect confidentiality and ensure availability and integrity of data and systems, the Bank has designed and implemented strict and comprehensive Change Management Policies and Procedures aiming to govern the changes performed over applications, equipment, operating software and databases. Change requests are prioritised, logged, approved and tracked by a change management tool.

The Change Management Framework also ensures that the appropriate Security Requirements are implemented during a change of an existing system or the development of a new one. Communication networks and telecommunications in general, are one of the Group and the Bank's most important information resources.

The use of networks achieves interconnection between information systems, faster execution of tasks and reduction of operating costs. The use of networks, however, creates several risks, especially in regard to security of the data being routed, but also, more generally, of the interconnected systems. In order to protect the network of the whole Group and the network within the Main Data Centre (MDC), the Bank has designed and implemented a large number of security controls in order to create peripheral protection in a multi-layer architecture.

The main security checks include the following:

- Policies and procedures that set the basic principles for designing, implementing and managing networks and network infrastructures.
- Network segmentation into different protection zones.
- Installation of Firewalls at specific points in the network in order to protect communications to and from the MDC. Protection is established for both branches and central offices of the Bank (internal perimeter), as well as for external partners and internet (external perimeter).
- Design and installation of Intrusion Detection, Intrusion Prevention (IDS/IPS) systems and Web Application Firewall (WAF), in order to protect against external malicious attacks, such as DDoS (Distributed Denial of Service Attacks) and Cyber Attacks.
- Processes for Change Management on Firewalls that are supported by the specific Change Management System (Tuffin).
- Continuous monitoring and on a 24-hour basis response to messages and alerts generated by security systems

For the smooth operation of the Main Data Centre and the support of all technological infrastructure, the Bank has implemented a large number of policies and procedures to guarantee the quality of IT services provided throughout the Group and the Bank. All system interfaces and critical data flows/jobs are monitored by a dedicated operators team on a continuous basis and based on formalized schedules and execution guidelines. Identified issues are documented and followed up as appropriate until successfully resolved. Among other things, the following are performed:

- Maintenance and technical support of systems based on manufacturer specifications and other needs that come across.
- System Updates with newer software versions and security patches.
- Procedures for managing operating system parameters.
- Work planning procedures.
- Logging and troubleshooting procedures.
- Capacity, load and performance management procedures for systems and networks.
- Continuous monitoring of the availability of systems and networks.
- Adequate back-up procedures.

In addition, the Bank has an effective Disaster Recovery Plan activated in case of catastrophic events as well as an Alternative Computer Center that can support, if required, the full operation of the Bank. Please note that the MDC is ISO 27001: 2013 and PCI DSS certified.

Group Internal Audit (GIA) Division

The internal audit function is being exercised within Piraeus Bank Group exclusively by the Group Internal Audit (GIA).

The principal mission of GIA is:

- To conduct any kind of audits regarding all units, activities and providers of material activities of the Bank and all of the Group subsidiaries (hereafter "the Group"), in order to form a reasonable, objective, independent and documented opinion on the adequacy and effectiveness of the Group's ICS;
- To provide through the Bank's Audit Committee, to the Bank's BoD objective results regarding the evaluation of the adequacy and effectiveness of the Group ICS;

GIA submits within the first quarter of each calendar year, to Senior Management and, through the Audit Committee, to the Board of Directors, a report on:

(a) the adequacy and effectiveness of the ICS of the Bank and the Group's companies;

(b) the effectiveness and observance of risk management procedures and the relevant credit granting procedures, including the provisioning policy (identifying any uncovered risks);

(c) the adequacy of the procedures in relation to the internal evaluation of the Bank's capital adequacy;

(d) the evaluation of the completeness of the procedure or methodology for estimating the depreciation of the loans and other assets, and any possible changes during the year.

The ICS evaluation is based on the standards and criteria dictated by internationally acknowledged best practices.

According to the Internal Auditors International Institute, Internal Auditing is an independent, objective assurance and consulting activity designed to add value and improve the organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

Group Internal Audit:

- functionally reports through the Bank's Audit Committee to the Bank BoD and only for administrative purposes to the Bank Managing Director / CEO.
- is administratively independent from the other Group Units and shall not conduct any kind of executive and functional responsibilities.
- has full-time and exclusive staff, which shall not report hierarchically to any other Group Units.

The Internal Auditors:

- are provided with unlimited access to all activities, units and premises, and to all kinds and forms of data and information (books, documents, records, bank accounts, portfolio, etc.) of the Group;
- may uninterruptedly communicate with any executives, collective organs and staff within the Group;
- may request and receive from any executive all information and explanations necessary to fulfil their mission as part of any auditing. Any highly confidential or sensitive information may be brought only to the attention of the Group Chief Audit Executive.

The BoD, the Audit Committee and the Management of the Group ensures that the information required is immediately provided by the individual units to the Internal Auditors.

Upon invitation by the Bank's Management, the Internal Auditors may participate during various individual stages in the development of procedures and activities, IT systems or network systems, and may in general provide their consultation on the ongoing improvement and establishment of a sufficient ICS. The results after their participation in any similar projects shall not be considered as auditing.

The scheduling of internal auditing projects is based on a risk assessment process and mainly focuses on high risk areas. The Audit Cycle is determined based on the risk assessment and must cover at least high and moderate risk areas. The Internal Audit Assessment Cycle is approved and amended only by decision of the Bank's BoD following the recommendation of the Bank's Audit Committee.

Based on the Audit Cycle, the GIA drafts an Annual Action Plan, giving priority to high and moderate risk areas, which shall be approved by the Bank's BoD following the recommendation of the Bank's Audit Committee.

The Annual Action Plan shall include the annual auditing objectives, the scheduled audits regarding the Group activities and the material activities providers, any human resources requirements, the relevant travel costs, any training programs and relevant expenses, as well as an assessment concerning the Group activities coverage. The Annual Action Plan shall take into consideration any possible unforeseen internal auditing projects and the requirements of the Management.

The Bank expects that all executives who are participating in Internal Auditing shall act in good faith according to their judgement and exercise due diligence, in order to adequately and continuously (at all times) safeguard the interests of the Bank and its Shareholders. The Internal Auditors are expected to apply and shall act in compliance with the Group Code of Conduct and the rules provided for in international standards for internal auditors. The strict application of the functional framework contributes to the achievement of consistency, coherence, stability and credibility in the function f Internal Auditing.

The Internal Auditors may render themselves liable in case they do not apply and defend the following specific principles:

- Integrity
- Objectivity
- Confidentiality
- Competency

Group Compliance Division

The Group Compliance Division was established in the context of complying with the rules of the Basel II supervisory framework and the provisions of the Bank of Greece Governor's Act 2577/2006 as an independent unit that is responsible for implementing the policy adopted by the Bank's Board of Directors in order to comply with the relevant applicable legal and regulatory framework. The Group Compliance Division refers to the Board of Directors through the Audit Committee, it has unrestricted access to all data and information necessary to carry out its duties and is managed by a person selected to be the Group Compliance Officer possessing sufficient knowledge of banking and investment activities.

Group Compliance has the following competences and responsibilities:

- It develops and implements appropriate procedures and prepares a related annual Compliance Action Plan, with the objective of achieving timely and continuous compliance of the Group and the Bank with the regulatory framework in force, and the Group and the Bank΄s internal rules, having at any given time a complete view of the degree of achievement of the said objective.

- It informs Senior Management and the BoD of the Bank of any identified significant violation regarding compliance with the regulatory framework in force or any serious deficiencies of adherence to the requirements imposed by the aforementioned framework.

- In case of amendments of the regulative framework in effect, it provides, with the assistance of Legal Services and / or the local legal consultants of the Subsidiaries abroad, relative instructions for the adjustment of internal procedures and internal rules applied by the Group Business Units.

- In cooperation with the Human Resources, it ensures that the staff is timely updated on amendments of the regulatory framework of the AML/CFT policy, with the development of appropriate procedures and training programs.

- It coordinates and evaluates the work of the Heads of Compliance Units (Compliance Officers) of the branches abroad and of the Subsidiary Banks and other subsidiaries in Greece and abroad, so that all Group companies fully comply with the regulatory provisions applicable at the time.

- It ensures, by implementing appropriate procedures, the keeping of deadlines for the fulfillment of the obligations stipulated by the regulative framework in force, and for this purpose provides to the BoD, written reassurance through its reports.

- It ensures that the Group and the Bank comply with the regulatory framework regarding the prevention of using the banking system for the legalization of proceeds from criminal activities and terrorist financing. For this purpose, it examines the compliance of the Organisational Units regarding money laundering issues and adherence to the obligations regarding the combating of terrorism, and sets up the proper environment for the prompt detection, prevention, investigation and reporting of relevant actions.

- It participates (at least) on a consulting basis in the design of new products and processes, regarding business decision making, and, the assessment of the operational risk arising from significant changes (mergers, acquisitions, etc.), so as to ensure compatibility with the regulatory framework in force. At the same time, the Group Internal Audit and the Operational and Market Risk Management participate in order to have appropriate control mechanisms and risk management mechanisms established.

- It expresses an opinion on the selection and suitability of the Heads of the relevant Units of the Subsidiaries, and evaluates their efficiency.

- Examines and responds, according to the current legislation along with the support of the Legal Services, to Competent Authorities requests relative to the provision of information and/or the restriction of account/safety deposit box movement.

- Gives opinion on new financing and loan restructuring to the relevant approval committee of the Bank.

- Monitors participations in Piraeus Bank Share Capital Increases against direct and indirect funding.

Risk Management

The Board and Management places particular emphasis on the effective monitoring and management of risk, at both the Group and Bank level, with a view to maintain stability and continuity of its operations. In this context, the competent bodies of the

Group and the Bank, regularly record and reassess its Risk and Capital Strategy as regards assuming, monitoring and managing risk and distinguishing transactions and customers by level of risk; they determine appropriate maximum acceptable limits of total risk-taking by each type of risk, refining each of these limits, they also establish limits for discontinuing loss-making activities and take other corrective actions.

Management proceeded with establishing reliable, effective and comprehensive policies and procedures to assess and maintain on an ongoing basis the amounts, composition and distribution of its capital, which Management each time deems adequate for covering the nature and level of risk the Bank undertakes or may undertake. These policies and procedures are subject to regular internal review and assessment by the Group Risk Management Division in order to ensure that they remain comprehensive, adequate and proportionate to the nature, extent and complexity of the Bank's current activities.

The following organizational units are involved in the process of planning, monitoring and management of risk and of assessment of capital adequacy in relation to the amount and type of risks undertaken:

- The Risk Committee, which the Board of Directors has entrusted with the responsibilities related to risk management in accordance with the provisions of the Bank of Greece Governor's Act 2577/2006 so as to cover effectively all forms of risk throughout the entire range of the Group and the Bank's activities, and to ensure their consolidated audit, their specialized handling and the necessary coordination at Bank and Group level;

- The Group Risk Management Division, which is responsible for the design, specification and implementation of the Group and the Bank's policy on risk management and capital adequacy in accordance with the directions of the Board of Directors, which covers the full range of Bank activities and all identified types of risk.

- The Group Credit Unit, constituting the secondary risk assessment during the approval process (2nd line of defense) is responsible for establishing and updating the Credit Policy.

- The Assets/Liabilities Management Committee (ALCO)

The Assets/Liabilities Management Committee consists of eleven members, its Chairman being the Bank's Managing Director & CEO. Members of ALCO are Senior General Managers, General Managers, as well as other senior executives of the Bank. ALCO is supported by an Executive Secretary. ALCO convenes monthly and its main duties are the implementation of the Bank's strategy in developing assets and liabilities; the management of assets and liabilities exercising at the same time a pricing policy in products and services; the approval for the introduction of new deposit or loan products, the follow-up of equity adequacy in relation to the risks, the examination of stress test scenarios and the decision making on preserving the available Group liquidity at acceptable levels.

The Group Risk Management Unit is independent from business units which are responsible for transactions and transaction recording, and reports to the CRO. The Group Risk Management Unit performs its duties under the provisions of Bank of Greece Governor's Act 2577/2006. Credit Control Unit operates in accordance with the Bank of Greece Governor's Act number 2589/2007 and the Bank of Greece Governor's Act 2594/2007. The Group Chief Risk Officer (CRO) supervises the Group Risk Management Unit and reports to the Risk Committee and through it to the Board of Directors whereas for administrative matters the CRO reports to the CEO. The Group Risk Management Unit is subject to audit by the Group Internal Audit Division as to the adequacy and effectiveness of risk management procedures.

In order to conduct its duties effectively, the competent officers of the Group Risk Management Unit have access to all the activities and units of the Bank, and to all information and records of the Bank and its Group companies, which are necessary for performing their duties.

The Board of Directors appoints the head of the Group Risk Management Unit upon recommendation of the Risk Committee, and notifies such appointment or replacement to the Bank of Greece. The responsibilities of the Group Risk Management Unit include the valuation of the assets/liabilities for the compilation of financial statements and for the following:

- Confirmation of policies, procedures, and methodologies (eg. mark-to-market, mark-to-model etc.), which are used for their valuation
- Review of the appropriateness of values used in the valuation process
- Monitoring of the valuation results and reporting of the deviations from the policy to the Risk Committee.

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 to par.1 d) of art. 152 of Greek Law 4548/2018 are included to the Explanatory Report to the General Meeting of the Shareholders, which is a special section of the Board of Director's Report.

Athens, 27 March 2020

Non-Executive Chairman of BoD	Managing Director (CEO) Executive BoD Member
George P. Handjinicolaou	Christos I. Megalou

EXPLANATORY REPORT

This explanatory report of the Board of Directors of Piraeus Bank is addressed to the Ordinary General Meeting of its Shareholders and contains detailed information on the matters of paragraph 7 of article 4 of Greek Law 3556/2007 with reference date the 31 December 2019.

1. Structure of the share capital of the Bank

On 31 December 2019 the Bank's share capital amounted to two billion six hundred and nineteen million nine hundred and fifty-four thousand nine hundred eighty and four euros (€ 2,619,954,984) divided into four hundred and thirty six million six hundred and fifty nine thousand one hundred and sixty four (€ 436,659,164) ordinary registered voting shares of a nominal value of six euros (€ 6.00) each. The ordinary shares of Piraeus Bank are dematerialized and listed on the Athens Stock Exchange.

Subject to the provisions of Greek Law 3864/2010 setting forth special rights and restrictions for the ordinary shares held by the Hellenic Financial Stability Fund (hereinafter the "HFSF" or the "Fund") (see details below under 4 and 5), each ordinary share of Piraeus Bank incorporates all the rights and obligations stipulated by Greek Law and its Articles of Association, and especially:

- The right to vote and participate in the General Meeting of shareholders.
- The right to receive dividend from the Bank's profits. It is noted that for as long as the Bank is subject to the provisions of Greek Law 3864/2010, the total dividend distribution cannot exceed the minimum dividend as described below. Moreover, in accordance with Cabinet Act 36/2.11.2015 no dividend is distributable in respect of ordinary shares of the Bank in the event the Bank does not make interest payments on the Contingent Convertible Bonds ("CoCos") which were taken up by the HFSF for the purposes of providing capital support during the recapitalization of the Bank in December 2015. The minimum dividend distributed to the shareholders is a percentage of 35% of the net profits for the year after the deduction of the amount required for the formation of the statutory reserve and of the remaining credit balances of the statement of income not constituting realized profits. The General Meeting decides in its discretion on the distribution of the remaining amount. The date of determination of the beneficiaries shareholders is announced at the Ordinary General Meeting. Dividend is paid to the shareholders within approximately seven (7) business days from the determination date, as more specifically announced through the Press. The right to receive payment of the dividend is time-barred and the respective unclaimed amount is devolved to the Greek State upon the lapse of five (5) years from the end of the year during which the General Meeting approved the distribution of the said dividend.
- The right to receive a pro rata share of the Bank's net liquidation proceeds or all or part of the nominal value of any shares in the event of a total or partial redemption of the Bank's share capital pursuant to a relevant resolution of the General Meeting of the Bank's shareholders. The General Meeting of the shareholders retains all of its rights during the liquidation procedure. It is noted that in accordance with the provisions of L. 3864/2010 for the period during which the HFSF holds shares of the Bank, in the event that the Bank is placed under liquidation, the HFSF in its capacity as shareholder is preferentially satisfied from the liquidation proceeds in priority to all other shareholders.
- A pre-emptive right in each increase of the Bank's share capital in cash and issuance of new shares unless the General Meeting resolves otherwise.
- The right to receive prior to the Ordinary General Meeting copies of the Annual Financial Report, incorporating, inter alia, the auditors' and Board of Directors' reports and the respective consolidated and separate financial statements.

2. Restrictions on the transfer of shares of the Bank

Transfers of Piraeus Bank's ordinary shares are carried out as prescribed by Greek Law. The Bank's Articles of Association do not impose any restrictions in respect thereof.

The disposal of the shares held by the HFSF is subject to the provisions of art. 8 of Greek Law 3864/2010, as in force.

3. Significant direct and indirect shareholdings within the meaning of Greek Law 3556/2007

On 31 December 2019 the HFSF directly held a total of 115,375,400 ordinary shares of the Bank representing 26.42% of the total voting rights of the Bank, of which 2,042,067 are subject to the restrictions of article 7A para.2 of L. 3864/2010 with respect to the exercise of the voting rights attached thereto.

Furthermore, on 31 December 2019 "Paulson Co. Inc." held (indirectly) 39,848,042 voting rights corresponding to an equal number of ordinary, registered, voting, dematerialized shares (namely 9.12% of the total voting rights of the Bank). Paulson & Co. Inc. is an investment advisor registered with the US SEC under the Investment Advisors Act of 1940 and provides investment advice to and manages investment funds.

Pursuant to the records kept by the Bank, as at 31 December 2019 no other shareholder (individual or legal person) holds on an individual basis (directly or indirectly) more than 5% of the total number of ordinary shares of Piraeus Bank.

4. Shares granting special control rights

With the exception of the ordinary shares held by the HFSF, which carry the rights arising from the provisions of Greek Law 3864/2010 and the Relationship Framework Agreement ("RFA") dated 27 November 2015 entered into by the Bank and the HFSF, there are no shares of the Bank granting special control rights to their holders.

The ordinary shares held by the HFSF in the share capital of the Bank carry the special rights of Article 10 of Greek Law 3864/2010, as amended and in force, including, inter alia:

- the right to be represented with one member on the Board of Directors. The Representative of the HFSF has the right:

  a) to request the convocation of the General Meeting of shareholders;

  b) to veto any decision of the Bank's Board of Directors:

    i) in respect of the distribution of dividends and the remunerations and bonuses policy for the Chairman, the Managing Director and the other members of the Board of Directors, as well as those persons having the position of or exercising the competencies of general managers as well as their deputies;

    ii) provided that the matter at hand may set at risk the interests of depositors or may materially affect the liquidity or the solvency or in general the prudent and orderly operation of the Bank (such as the business strategy, and asset management);

    iii) in respect of corporate actions of par. 3 art. 7A of Greek Law 3864/2010 which may significantly affect the participation of the HFSF's in the share capital of the Bank;

  c) to request an adjournment of a Board meeting for three (3) business days in order to receive instructions from the

HFSF Executive Committee. This right may be exercised until the adjournment of the meeting of the Board of Directors of the Bank.

d) to convene the Board of Directors of the Bank;

e) to approve the appointment of the Chief Financial Officer.

- the right to access the books and records of the Bank through executives and consultants of its choice;
- the right to monitor and evaluate the corporate governance framework of the Bank, the members of the Board of Directors and of its Committees on the basis of specific criteria in accordance with international best practice and, in the event of non-satisfaction of such criteria, the right to proceed, under specific conditions, to the convocation of the General Meeting of Shareholders and/or the publication of the results of its evaluation;
- the right to preferential satisfaction from the proceeds of liquidation in priority to all other shareholders in the event that the Bank is placed under liquidation.

Further to the aforementioned, pursuant to the provisions of the Relation Framework Agreement as of 27 November 2015, the HFSF, for the period during which it holds shares or warrants of the Bank, has the additional rights set out in the RFA, amongst which, the following:

- the HFSF Representative on the Board of Directors of the Bank participates in the Committees of the Board of Directors, namely the Audit Committee, the Risk Committee, the Remuneration Committee, the Board Nomination Committee, the Strategy Committee and the Board Ethics and Governance Committee. In addition, thereto, the Observer appointed by the HFSF participates without voting right in the meetings of the Board of Directors and the above Committees;
- the HFSF Representative on the Board of Directors may request the inclusion of items on the agenda of the meetings of the Board and of the Committees on which he/she participates;
- the HFSF Representative may request the inclusion of items on the agenda of the General Meeting of Shareholders convened by the Board of Directors;
- the HFSF provides its prior consent for a number of items characterized in the RFA as material, including inter alia: (a) any material transactions and corporate reorganizations above a set threshold, (b) the policy on connected borrowers and any amendments, revisions or deviations therefrom, (c) the policy on management of NPLs and any amendments, revisions and deviations therefrom;
- the HFSF reviews the annual self-assessment exercise of the Board of Directors. On the basis of this assessment and/or following the assessment performed by the HFSF under art. 10 of Greek Law 3864/2010, the HFSF may propose specific suggestions for improvements or potential amendments to the Bank's corporate governance framework;
- the HFSF monitors the implementation of the Restructuring Plan and the Bank's NPL management framework as well as the Bank's performance in respect to the same.

According to the RFA, the HFSF ensures that, in exercising their rights, the HFSF, the HFSF Representative and the HFSF Observer shall respect the Bank's business autonomy and independence in the decision making of the Bank and act according to the terms of the Greek Law and the RFA.

5. Restrictions on Voting Rights

The Bank's Articles of Association do not impose restrictions on the voting rights or the exercise periods of voting rights attached to its ordinary shares.

According to Article 7A par. 2 case a) and par. 3 of Greek Law 3864/2010, the HFSF exercises the voting rights attached to the shares acquired during the abovementioned share capital increase of 2013 only in respect of decisions amending the Articles of Association, including the increase or reduction of capital or the provision of a respective authorization to the Board of Directors of the Bank, merger, division (demerger), transformation, revival, extension of duration or dissolution, transfer of assets, including the sale of subsidiaries, or on any other issue requiring increased majority pursuant to Greek Law 4548/2018. For the purposes of calculating the quorum and majority at the General Meeting, the aforementioned shares of the HFSF are not taken into account when deciding on matters other than the aforementioned.

The abovementioned restrictions do not apply to the voting rights attached to the shares acquired by the HFSF in the context of the capital support provided for the recapitalization of the Bank in December 2015 under the revised Greek Law 3864/2010.

6. Shareholders' Agreements

The Bank has not been made aware of any agreements between its shareholders regarding restrictions in the transfer of the Bank's ordinary shares or the exercise of the voting rights attaching to such shares.

7. Rules regarding the appointment and replacement of Board members and amendments to the Articles of Association

Pursuant to the Bank's Articles of Association, in the event that a Board member resigns, is deceased or forfeits his office for any reason whatsoever, or is deemed forfeited by a resolution of the Board of Directors due to his unjustifiable absence from meetings for three consecutive months, the Board of Directors may continue the management and representation of the Bank without replacing the departed member(s) provided that the remaining members are at least nine (9). This election resolution must be published according to the provisions of corporate law, and is announced by the Board of Directors in the upcoming General Meeting of Shareholders, which may replace the elected directors even if there is no respective item on the agenda. In every event, the actions of a member of the Board of Directors elected in such manner are deemed valid, even if such member is subsequently replaced by the General Meeting.

The rules set out in the Bank's Articles of Association regarding members' appointment and replacement, as well as amendment of the provisions of the Articles of Association, do not deviate from the corresponding provisions of Greek Law 4548/2018.

The HFSF pursuant to art. 10 para. 2 of Greek Law 3864/2010 is represented with one member on the Board of Directors of the Bank with the aforementioned rights.

Supervisory assessment of Board members' suitability conducted by the Single Supervisory Mechanism (SSM) of the European Central Bank (ECB): Pursuant to art. 93 of Regulation (EU) 468/2014 of the ECB, the appointment or replacement of the members of the Board of Directors or the renewal of their term of office is subject to their suitability assessment by the SSM.

In addition, for as long as the HFSF holds ordinary shares or CoCos of the Bank, the members of the Board of Directors must satisfy the criteria set out in Greek Law 3864/2010 and are subject to the assessment provided for in said Greek Law and in the RFA.

8. Authority of the Board of Directors to issue new or to acquire own shares

There is no subsisting authorization to the Board of Directors of the Bank to increase the share capital with the issuance of new shares, other than the authorization granted by the Extraordinary General Meeting dated 15 November 2015 to the Board to decide, with the quorum and majority prescribed by Greek Law, on the increase of the share capital of the Bank up to the amount of Euro one billion (€ 1,000,000,000.00) pursuant to the provisions of article 24 par.1 of L. 4548/2018[9] and to determine the terms of same, including the subscription price for the new shares and to proceed to all necessary actions for the issuance and allocation of the shares. The abovementioned authorization is valid for five years.

According to paragraph 1 of Article 16C of Greek Law 3864/2010, during the period of participation of the HFSF in the share capital of the Bank, the Bank is not permitted to acquire own shares without the approval of the HFSF.

9. Significant agreements which enter in force, are amended or terminated in the event of change of control following a public takeover bid

There are no significant agreements of the Bank which come into force, are amended or terminated upon a change of control of the Bank following a public takeover bid.

10. Agreements between the Bank and members of its Board of Directors or its employees

There are no agreements between the Bank and members of its Board of Directors or its employees which provide for their compensation in the event of their departure as a result of a public takeover bid.

Athens, 27 March 2020

Non-Executive Chairman of BoD	Managing Director (CEO) Executive BoD Member
George P. Handjinicolaou	Christos I. Megalou

[9] Which replaced as of 1 January 2019 article 13 par.1 of C.L.2190/1920

ESMA´s ALTERNATIVE PERFORMANCE MEASURES (APMs) AT GROUP LEVEL

A. APMs

No.	APM	APM Definition - Calculation	FY 2018	FY 2019
1	CET1 Capital Ratio on a Pro-forma Basis	CET1 capital, as defined by Regulation (EU) No 575/2013, with the application of the regulatory transitional arrangements for IFRS 9 impact, adding (+) profits for the period of € 0.3 billion in the numerator (capital).	13.65%	14.73%
2	Financial Assets	The sum of: financial assets at FVTPL, financial assets mandatorily at FVTPL, Loans and advances to customers mandatorily at FVTPL, financial assets at FVTOCI, debt securities at amortised cost	3,054	3,613
3	Loans to Deposits Ratio (LDR) - (Seasonally Adjusted)	Seasonally Adjusted Net Loans over (/) Deposits	85.3%	79.4%
4	Net Income excluding one-off items	Total net income minus (-) Non-recurring (one-off) Revenues	1,834	1,823
5	New Loan Disbursements		3,065	4,019
6	Non Performing Exposures (NPEs)	On balance sheet credit exposures before ECL allowance for impairment on loans and advances to customers at amortised cost that are: (a) past due over 90 days; (b) impaired or those which the debtor is deemed as unlikely to pay ("UTP") its obligations in full without liquidating collateral, regardless of the existence of any past due amount or the number of past due days; (c) forborne and still within the probation period under EBA rules; (d) subject to contagion from (a) under EBA rules and other unlikely to pay (UTP) criteria	27,331	24,474
7	Non Performing Loans (NPLs)	Gross loans before Impairments & Adjustments in arrears over 90 days past due	17,403	16,815
8	NPE (Cash) Coverage Ratio	ECL allowance for impairment losses on loans and advances to customers at amortised cost over (/) NPEs	48.8%	44.9%
9	NPE Ratio	NPEs over (/) gross loans before impairments & adjustments	51.5%	48.8%
10	NPL Ratio	Non-performing loans over gross loans before impairments & adjustments	32.8%	33.5%
11	Other Assets	Balancing item: equals (=) Total Assets minus (-) Net Loans minus (-) Financial Assets	19,069	18,456
12	Other Income	Balancing item: equals (=) Net Income minus (-) Net Interest Income minus (-) Net Fee and Commission Income	133	421

13	Other Liabilities	Balancing item: equals (=) Total Liabilities minus (-) Due to banks minus (-) Customer Deposits	4,087	2,811
14	Recurring Operating Expenses (Recurring Opex)	Opex minus (-) One-off Opex	1,035	982
15	Total Regulatory Capital (Phased-in) on a Pro-Forma Basis	Total capital, as defined by Regulation (EU) No 575/2013, with the application of the regulatory transitional arrangements for IFRS 9 impact, adding (+) profits for the period of € 0.3 billion in the numerator (capital).	13.65%	15.60%
16	Total Regulatory Capital (Phased-in) on a Pro-Forma Basis Taking into Account the Issuance of Tier 2 Notes in February 2020	Total capital, as defined by Regulation (EU) No 575/2013, with the application of the regulatory transitional arrangements for IFRS 9 impact, adding (+) profits for the period of € 0.3 billion in the numerator (capital) and the issuance of € 0.5 billion of Tier 2 Notes.	13.65%	16.70%

B. APMs Components

No.	APM Component	APM Definition - Calculation	FY 2018	FY 2019
1	Expected Credit Loss (ECL) Allowance	ECL allowance for impairment losses on loans and advances to customers at amortised cost	13,333	10,986
2	Deposits or Customer Deposits	Due to Customers	44,739	47,351
3	Gross Loans	Loans and advances to customers at amortised cost before ECL allowance for impairment losses on loans and advances to customers	53,091	50,148
4	Intangible Assets	-	292	287
5	Loan Impairment Charges (Provision Expenses)	ECL impairment losses on loans and advances to customers at amortized cost	532	710
6	Net Fee & Commission Income (NFI)	-	339	318
7	Net Interest Income (NII)	-	1,410	1,435
8	Net Loans	Loans and advances to customers at amortised cost	39,757	39,162
9	Seasonally Adjusted Net Loans	Loans and advances to customers at amortised cost minus (-) OPEKEPE seasonal loan of € 1,616 million as at 31 December 2018 and € 1,548 million as at 31 December 2019	38,141	37,614
10	Net Results - Net Profit	Profit / (loss) for the period from continuing operations attributable to shareholders of the Bank	185	270
11	Net Revenues	Total Net Income	1,882	2,174

12	Non Recurring (one-off) Expenses	In 2018 and 2019 Voluntary Exit Scheme ("VES") staff costs of € 154 million and € 36 million respectively, as well as -€ 28 million and -€ 5 million of offsetting cost adjustments respectively were classified as one-off	126	31
13	Non Recurring (one-off) Impairments	In 2018, € 67 million of a reversal of loan impairments, and € 32 million of impairments on other assets were classified as one-off	-35	0
14	Non Recurring (one-off) Revenues	In 2018, € 48 million of net fee and commission income relating to an extraordinary quality commission for past performance in general insurance business, and in 2019, € 351 million of the sale of Piraeus RBU platform to Intrum were classified as one-off revenues in commission income and other income respectively.	48	351
15	Operating Expenses (Opex)	Total operating expenses before provisions	1,161	1,013
16	Pre Provision Income (PPI)	Profit before provisions, impairment and income tax	721	1,161
17	Pre Tax Results - Pre Tax Profits (PBT)	Profit / (loss) before income tax	80	389

The Board of Directors' Report contains financial information and measures as derived from the Group and the Bank's Annual Financial Statements for the year ended 31 December 2019 and 31 December 2018, which have been prepared in accordance with the International Financial Reporting Standards ("IFRSs"), as endorsed by the EU. Additionally, it contains financial data which is compiled as a normal part of our Financial Statement Closing Process 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 the IFRSs. 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. Management believes that the non-IFRS financial measures used, present 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.

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TRUE TRANSLATION FROM THE ORIGINAL IN GREEK

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of "Piraeus Bank S.A."

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

Opinion

We have audited the accompanying separate and consolidated financial statements of Piraeus Bank S.A. (the Bank and the Group), which comprise the separate and consolidated statement of financial position as at 31 December 2019, and the separate and consolidated statements of income, total comprehensive income, changes in equity and cash flows for the year then ended, and notes to the separate and consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the separate and consolidated financial position of Piraeus Bank S.A. and its subsidiaries (the Group) as at 31 December 2019 and their separate and consolidated financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), as endorsed by the European Union.

Basis for opinion

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

Key audit matters

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

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Key audit matters	How our audit addressed the Key audit matters

Expected credit loss on loans and advances to customers at amortised cost

Loans and advances to customers at amortised cost amounted to € 39,801 million for the Bank and € 39,162 million for the Group as at 31 December 2019 (€40,557 million for the Bank and € 39,757million for the Group as at 31 December 2018) and impairment losses on loans and advances to customers (charge for the period) amounted to € 950 million for the Bank and € 710 million for the Group for the year ended 31 December 2019 (€ 572 million for the Bank and € 532 million for the Group for the year ended 31 December 2018).

The Bank and the Group establish allowances for impairments on loans and advances to customers at amortised cost for expected credit losses (ECL) on both an individual and a collective basis.

The estimation of ECL on loans and advances to customers at amortised cost is considered a key audit matter as it involves critical Management judgment and accounting estimates with high level of subjectivity and complexity.

The most significant Management judgements and accounting estimates, relate to:

- The criteria used for the staging assessment of loans and advances to customers.
- The determination of credit risk parameters, such as Loss Given Default (LGD), Probability of Default (PD) and the Exposure at Default (EAD) and the data used to build and run the credit risk models that calculate ECL.
- The measurement of individually assessed loans, including assessment approach, valuation of collaterals and estimation of discounted future cash flows
- The estimated impact of the multiple economic scenarios, which also involves the use of assumptions around future economic conditions.

Management has provided further information about principles and accounting policies for determining the allowance for impairment on loans and advances to customers at amortised cost, the management of credit risk and the review of impairment in Notes 2.4.17, 3.1,3.2, 4.1, 4.2, 4.3 and 4.4 to the financial statements.

Based on our risk assessment and following a risk-based approach, we have evaluated the impairment methodologies applied and assumptions made by Management in relation to this key audit matter, which included, inter alia, the following audit procedures:

- We assessed the design and implementation of internal controls relevant to the ECL, including controls around the appropriateness of credit risk models and economic scenarios, the determination of significant credit risk parameters and macros used in these models, inputs applied into the impairment calculation engine and preparation of relevant disclosures. Where applicable we also involved our credit risk and modelling specialists.
- We assessed the design and operating effectiveness of controls around the measurement of individually assessed loans, including controls around the determination of the appropriate approach, the valuation of collaterals and the estimation of the expected future cash flows.
- With the support of our credit risk and modelling specialists, we tested the appropriateness of the criteria (significant increase in credit risk, unlikeliness to pay) used for staging assessment of loans and advances to customers at amortised cost. We further performed substantively procedures and on a sample basis we tested the timely identification of exposures with significant increase in credit risk and timely identification of credit impaired exposures.
- With the support of our credit risk and modelling specialists, we assessed the appropriateness of the credit risk models used by performing review of the pertinent programming codes (scripts), re-performing calculations on a sample basis and by challenging relevant Management's significant assumptions. As part of our substantive procedures, we tested accuracy and completeness of critical data used in ECL calculation
- On a sample basis, we tested the reasonableness of significant assumptions used in the individual measurement of impairment, including valuation of collaterals (where we also made use of our real estate specialist) and the estimation of discounted future cash flows.
- With the support of our credit risk and modelling specialists,, we challenged and assessed whether the economic scenarios applied and the macroeconomic variables used in the models are reasonable. In addition, we assessed the results of Management's validation exercise of the credit risk models.

Given the complexity and granularity of the related disclosures, we assessed the completeness and accuracy of disclosures in accordance with the provisions of the relevant accounting standards.

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Key audit matters	How our audit addressed the Key audit matters
Recoverability of Deferred Tax Assets	
The Bank and the Group have recognized a deferred tax asset of € 6,439 million and € 6,478 million respectively, as at 31 December 2019 (€ 6,600 million for the Bank and € 6,647 million for the Group as at 31 December 2018, Recognition and measurement of deferred tax assets is considered a key audit matter as it involves high degree of judgement and significant assumptions made by Management around profit forecasts, preparation of budgets and the impact of the Group's business strategic plans. Management has provided further information about deferred tax assets in notes 2.4.32, 3.1, 4.17, 15 and 36 to the financial statements.	Based on our risk assessment, we have examined the method used to determine the amount of deferred tax assets recognized and assessed the significant assumptions based on which Management prepared the budget and tax planning strategy. Our examination included, inter alia, the following audit procedures: • We assessed the design and implementation of the controls relevant to the audit, around the preparation of profit forecasts and budgets, including the controls over the significant assumptions, data, calculations and methodologies used. • We assessed the reasonableness of Management's significant assumptions and forecasts of future tax profits by comparing forecasts with actual results and considering Management's business strategic plans.
Significant transaction with Intrum	
On 3 June 2019, Piraeus Bank and Intrum announced a long-term strategic partnership, establishing a market-leading servicer for non-performing assets in Greece. For this purpose, in September 2019 the assets and liabilities of the Bank's NPE business unit as well as the servicing right of the Bank's non performing exposures were spinned-off and contributed in kind into two newly established companies. In October 2019, the disposal of the Bank's controlling stake in these companies completed and an 80% shareholding plus one share on the said companies was transferred to Intrum Holding Spain SAU. Upon completion of the transaction, the Bank and the Group recognized a gain before tax of € 351 million. Considering the significance of the accounting result and the complexity of the transaction with Intrum we have considered the accounting recognition and measurement of this transaction as a key audit matter. Management has provided further information about the transaction in notes 2.2 and 23 to the financial statements.	Based on our risk assessment, we have examined the accounting treatment followed by Management in relation to the transaction with Intrum Holding Spain SAU. Our examination included, inter alia, the following audit procedures: • We reviewed the contractual agreements and other supporting documents such as legal documents and operation manual, to assess whether Management has properly accounted for the transaction in accordance with IFRSs, including the gain from the disposal of the 80% shareholding on the newly established companies to Intrum Holding Spain SAU. • With the assistance of our valuation specialists we assessed whether the valuation techniques/ methods employed and the valuation results are reasonable and appropriate under the circumstances. • We performed detail test on journal entries relating to the said transactions in order to ensure that the Group's Accounts are accurate and complete.

Key audit matters	How our audit addressed the Key audit matters
Information Technology General Controls and controls over financial reporting	
The Bank's and the Group's financial reporting processes are highly dependent on Information Technology (IT) systems supporting automated accounting reconciliation procedures and calculations, thus leading to a complex IT environment, pervasive in its nature and in which a significant number of transactions are processed daily, across numerous locations. This is a key audit matter since it is important that controls over access security, cyber risks, system change, datacentre and network operations are designed and operate effectively to ensure complete and accurate financial records/information. Management has provided further information about Information Technology General Controls under the header "Internal Control System" in Section II of the "Corporate Governance Statement" included in the "Board of Directors' Annual Report".	Based on our risk assessment, we have tested the design and operating effectiveness of Information Technology General Computer Controls (ITGCs) relevant for financial reporting. Our assessment included the evaluation of user access over applications, operating systems and databases, IT operations as well as the process followed over changes made to application systems/programs at all layers. Our IT audit procedures included, among others, testing of: • User access provisioning and de-provisioning process. • Privileged access to applications, operating systems and databases. • Periodic review of user access rights. • Change management process over applications, operating systems and databases (user request, user acceptance testing and final approval for promotion to production). • Datacentre and network operations.

Other information

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

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

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

Responsibilities of Management and Those Charged with Governance for the separate and consolidated financial statements

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

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

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

Auditor's responsibilities for the audit of the separate and consolidated financial statements

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

As part of an audit in accordance with ISAs as they have been incorporated into the Greek legislation, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's and the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Auditor's responsibilities for the audit of the separate and consolidated financial statements - *continued*

- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank and the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether the separate and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the separate and consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

<u>Report on Other Legal and Regulatory Requirements</u>

1) Board of Directors Report

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

a) The Board of Director's Report includes the Corporate Governance Statement, which provides the information required by article 152 of Greek Law 4548/2018.
b) In our opinion, the Board of Director's Report has been prepared in accordance with the applicable legal requirements of articles 150,151,153 and 154 and paragraph 1 (cases c and d) of article 152 of Greek Law 4548/2018 and its content is consistent with the accompanying separate and consolidated financial statements for the year ended 31 December 2019.
c) Based on the knowledge we obtained during our audit of the Bank and the Group and its environment, we have not identified any material inconsistencies in the Board of Director's Report.

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Report on Other Legal and Regulatory Requirements - *Continued*

2) Additional Report to the Audit Committee

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

3) Non Audit Services

We have not provided to the Bank and the Group any prohibited non-audit services referred to in article 5 of the EU Regulation No 537/2014. The allowable non-audit services we have provided to the Bank and the Group during the year ended 31 December 2019 are disclosed in Note 46 to the accompanying separate and consolidated financial statements.

4) Appointment

We were first appointed as statutory auditors by the General Assembly of the Shareholders of Piraeus Bank S.A. on 28 June 2017. The year ended 31 December 2019 is the third year we have been appointed as statutory auditors by the Annual General Assembly of the Shareholders of the Bank.

Athens, 27 March 2020

The Certified Public Accountant

Dimitris Koutsos- Koutsopoulos
Reg. No. SOEL: 26751

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€ Million	Note	Group		Bank	
		Year ended		Year ended	
		31/12/2019	31/12/2018	31/12/2019	31/12/2018
CONTINUING OPERATIONS					
Interest and similar income	6	1,855	1,874	1,867	1,852
Interest expense and similar charges	6	(420)	(465)	(418)	(467)
NET INTEREST INCOME		**1,435**	**1,410**	**1,449**	**1,385**
Fee and commission income	7	417	429	358	372
Fee and commission expense	7	(99)	(90)	(89)	(83)
NET FEE AND COMMISSION INCOME		**318**	**339**	**269**	**289**
Dividend income		2	7	6	31
Net gain/ (losses) from financial instruments measured at fair value through profit or loss ("FVTPL")	8	13	24	12	22
Gain/(loss) from disposal of subsidiaries, associates and businesses	23	345	(3)	348	0
Net gain/ (losses) from financial instruments measured at fair value through other comprehensive income ("FVTOCI")		5	17	5	17
Net other income/ (expenses)	9	55	87	17	27
TOTAL NET INCOME		**2,174**	**1,882**	**2,106**	**1,772**
Staff costs	10	(504)	(616)	(479)	(581)
Administrative expenses	11	(387)	(441)	(363)	(420)
Depreciation and amortisation	24, 25	(123)	(103)	(118)	(93)
Net gain/ (losses) from sale of property and equipment and intangible assets		1	(1)	1	(1)
TOTAL OPERATING EXPENSES BEFORE PROVISIONS		**(1,013)**	**(1,161)**	**(959)**	**(1,096)**
PROFIT BEFORE PROVISIONS, IMPAIRMENT AND INCOME TAX		**1,161**	**721**	**1,147**	**676**
ECL Impairment losses on loans and advances to customers at amortised cost	4	(710)	(532)	(950)	(572)
Impairment (losses)/releases on other assets	28	(62)	(63)	(42)	(44)
ECL Impairment (losses)/ releases on financial assets at FVTOCI	41	8	6	8	6
Impairment on subsidiaries and associates	23	0	(50)	(25)	(92)
Impairment of property and equipment and intangible assets	24, 25	(14)	(30)	(12)	(23)
Other impairment (losses)/ releases		(1)	0	(1)	(23)
Other provision releases/ (charges)	33	1	14	4	16
Share of profit of associates and joint ventures	23	5	15	-	-
PROFIT/ (LOSS) BEFORE INCOME TAX		**389**	**80**	**130**	**(57)**
Income tax benefit/ (expense)	13	(123)	93	(103)	107
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		**266**	**173**	**27**	**51**
DISCONTINUED OPERATIONS					
Profit/ (loss) after income tax from discontinued operations	12	10	(344)	-	-
PROFIT/ (LOSS) FOR THE YEAR		**276**	**(171)**	**27**	**51**
From continuing operations					
Profit/ (loss) attributable to equity holders of the Bank		270	185	-	-
Non controlling interest		(4)	(11)	-	-
From discontinued operations					
Profit/ (loss) attributable to equity holders of the Bank		10	(343)	-	-
Non controlling interest		0	(1)	-	-
Earnings/ (losses) per share attributable to equity holders of the Bank (in €):					
From continuing operations					
- Basic	14	0.62	0.42	-	-
- Diluted	14	0.32	0.22	-	-
From discontinued operations					
- Basic	14	0.02	(0.79)	-	-
- Diluted	14	0.01	-	-	-
Total					
- Basic	14	0.64	(0.37)	-	-
- Diluted	14	0.33	-	-	-

€ Million	Note	Group		Bank	
		Year ended		Year ended	
		31/12/2019	31/12/2018	31/12/2019	31/12/2018
CONTINUING OPERATIONS					
Profit for the period (A)		**266**	**173**	**27**	**51**
Other comprehensive income, net of tax:					
Items that may be reclassified subsequently to profit or loss					
Change in reserve from debt securities measured at FVTOCI	15	115	(39)	115	(39)
Change in currency translation reserve	15	9	2	-	-
Items that will not be reclassified subsequently to profit or loss					
Change in reserve from equity instruments measured at FVTOCI	15	30	15	28	15
Change in reserve of actuarial gains/ (losses)	15, 41	(6)	(0)	(6)	0
Other comprehensive income/ (expense), net of tax (B)	15	**148**	**(21)**	**137**	**(23)**
Total comprehensive income/ (expense), net of tax (A)+(B)		**414**	**152**	**165**	**28**
- Attributable to equity shareholders of the parent entity		418	164	-	-
- Non controlling interest		(4)	(12)	-	-
DISCONTINUED OPERATIONS					
Profit/ (loss) for the period (C)		**10**	**(344)**	**0**	**0**
Other comprehensive income, net of tax:					
Items that may be reclassified subsequently to profit or loss					
Change in reserve from debt securities measured at FVTOCI		(4)	1	-	-
Change in currency translation reserve		(4)	147	-	-
Items that will not be reclassified subsequently to profit loss					
Change in reserve from equity instruments measured at FVTOCI		(1)	0	-	-
Change in reserve of actuarial gains/ (losses)		(0)	0	-	-
Other comprehensive income/ (expense), net of tax (D)		**(9)**	**148**	**0**	**0**
Total comprehensive income/ (expense), net of tax (C)+(D)		**0**	**(196)**	**0**	**0**
- Attributable to equity shareholders of the parent entity		0	(195)	-	-
- Non controlling interest		0	(1)	-	-

€ Million	Note	Group		Bank	
		31/12/2019	31/12/2018	31/12/2019	31/12/2018
ASSETS					
Cash and balances with Central Banks	16	3,349	2,572	3,314	2,548
Due from banks	17	1,307	1,120	1,239	1,130
Financial assets at fair value through profit or loss	19	663	382	654	372
Financial assets mandatorily at fair value through profit or loss ("FVTPL")	19	131	110	131	110
Derivative financial instruments	18	479	378	479	380
Reverse repos with customers		38	103	38	103
Loans and advances to customers at amortised cost	20	39,162	39,757	39,801	40,557
Loans and advances to customers mandatorily at FVTPL		51	84	51	84
Financial assets at fair value through other comprehensive income ("FVTOCI")	21	1,647	2,270	1,646	2,262
Debt securities at amortised cost	22	1,121	208	1,121	208
Assets held for sale	27	264	307	259	428
Investment property	26	1,112	1,079	447	418
Investments in subsidiaries		-	-	586	602
Investments in associated undertakings and joint ventures	23	264	162	255	179
Property and equipment	25	1,044	1,010	980	877
Intangible assets	24	287	292	248	252
Current tax assets	35	206	221	202	218
Deferred tax assets	36	6,478	6,647	6,439	6,600
Other assets	28	3,521	3,458	3,118	3,092
Assets from discontinued operations	12	108	1,721	-	-
TOTAL ASSETS		**61,231**	**61,880**	**61,007**	**60,420**
LIABILITIES					
Due to banks	29	3,296	5,548	3,277	5,862
Due to customers	30	47,351	44,739	47,572	44,919
Liabilities at FVTPL		(0)	62	(0)	62
Derivative financial instruments	18	482	413	482	413
Debt securities in issue	31	481	528	481	528
Other borrowed funds	32	414	-	412	-
Current income tax liabilities		9	2	-	-
Deferred tax liabilities	36	32	32	-	-
Retirement benefit obligations	37	130	192	125	187
Provisions	34	173	168	165	160
Other liabilities	33	1,071	885	939	736
Liabilities from discontinued operations	12	19	1,804	-	-
TOTAL LIABILITIES		**53,458**	**54,374**	**53,454**	**52,866**
EQUITY					
Share capital (ordinary shares)	40	2,620	2,620	2,620	2,620
Share premium	40	13,075	13,075	13,075	13,075
Contingent convertible bonds	40	2,040	2,040	2,040	2,040
Less: Treasury shares	40	(1)	(1)	-	-
Other reserves & retained earnings	41	(10,075)	(10,344)	(10,181)	(10,181)
Capital and reserves attributable to equity holders of the parent entity		**7,659**	**7,390**	**7,553**	**7,554**
Non controlling interest		115	116	-	-
TOTAL EQUITY		**7,773**	**7,506**	**7,553**	**7,554**
TOTAL LIABILITIES AND EQUITY		**61,231**	**61,880**	**61,007**	**60,420**

Group		Attributable to equity shareholders of the parent entity										
€ Million	Note	Share Capital	Share Premium	Contingent Convertible Bonds	Treasury shares	Currency Translation Reserve	Reserve from financial assets at FVTOCI	Other reserves	Retained earnings	Total	Non controlling interest	Total
Opening balance as at 1/1/2018 based on IFRS 9 FTA		**2,620**	**13,075**	**2,040**	**(1)**	**(208)**	**119**	**167**	**(10,335)**	**7,477**	**126**	**7,603**
Other comprehensive income, net of tax	15	-	-	-	-	149	(22)	-	0	127	(0)	127
Profit/ (loss) after tax for the year	41	-	-	-	-	-	-	-	(158)	(158)	(12)	(171)
Total comprehensive income/ (expense) for the year		**0**	**0**	**0**	**0**	**149**	**(22)**	**0**	**(158)**	**(31)**	**(12)**	**(44)**
(Purchases)/ sales of treasury shares	40, 41	-	-	-	0	-	-	-	(1)	(0)	-	(0)
Transfer between other reserves and retained earnings	41	-	-	-	-	-	-	(11)	11	-	-	0
Recycling of the accumulated reserve from financial assets measured at FVTOCI	41	-	-	-	-	-	-	-	(32)	(32)	-	(32)
Disposals and movements in participating interests	41	-	-	-	-	-	-	(12)	(11)	(23)	2	(20)
Balance as at 31/12/2018		**2,620**	**13,075**	**2,040**	**(1)**	**(59)**	**97**	**144**	**(10,526)**	**7,390**	**116**	**7,506**
Opening balance as at 1/1/2019		**2,620**	**13,075**	**2,040**	**(1)**	**(59)**	**97**	**144**	**(10,526)**	**7,390**	**116**	**7,506**
Other comprehensive income, net of tax	15	-	-	-	-	5	139	-	(6)	139	(0)	138
Profit/ (loss) after tax for the year	41	-	-	-	-	-	-	-	279	279	(4)	276
Total comprehensive income/ (expense) for the year		**0**	**0**	**0**	**0**	**5**	**139**	**0**	**273**	**418**	**(4)**	**414**
Payment to the holders of contingent convertible bonds	41	-	-	-	-	-	-	-	(165)	(165)	-	(165)
(Purchases)/ sales of treasury shares	40, 41	-	-	-	(0)	-	-	-	0	0	-	0
Transfer between other reserves and retained earnings	41	-	-	-	-	-	-	2	(2)	-	-	0
Recycling of the accumulated reserve from financial assets measured at FVTOCI	41	-	-	-	-	-	-	-	2	2	-	2
Disposals and movements in participating interests	41	-	-	-	-	-	-	(28)	43	14	3	17
Balance as at 31/12/2019		**2,620**	**13,075**	**2,040**	**(1)**	**(54)**	**236**	**118**	**(10,375)**	**7,659**	**115**	**7,773**

During the current year the Group amended the presentation of actuarial gains/ (losses) of defined benefit obligations, amounted to an actuarial loss of € 33 million as at 31 December 2019, from "Other reserves" to "Retained earnings". The respective figures for the comparative year, amounted to an actuarial loss of € 27 million as at 31 December 2018, have been restated to be comparable with the current year.

Bank € Million	Note	Share Capital	Share Premium	Contingent Convertible Bonds	Reserve from financial assets at FVTOCI	Other reserves	Retained earnings	Total
Opening balance as at 1/1/2018 based on IFRS 9 FTA		**2,620**	**13,075**	**2,040**	**116**	**96**	**(10,389)**	**7,559**
Other comprehensive income, net of tax	15	-	-	-	(23)	-	0	(23)
Profit/ (loss) after tax for the year	41	-	-	-	-	-	51	51
Total comprehensive income/ (expense) for the year		**0**	**0**	**0**	**(23)**	**0**	**51**	**28**
Recycling of the accumulated reserve from financial assets measured at FVTOCI	41	-	-	-	-	-	(32)	(32)
Balance as at 31/12/2018		**2,620**	**13,075**	**2,040**	**93**	**96**	**(10,370)**	**7,554**
Opening balance as at 1/1/2019		**2,620**	**13,075**	**2,040**	**93**	**96**	**(10,370)**	**7,554**
Other comprehensive income, net of tax	15	-	-	-	143	-	(6)	137
Profit/ (loss) after tax for the year	41	-	-	-	-	-	27	27
Total comprehensive income/ (expense) for the year		**0**	**0**	**0**	**143**	**0**	**22**	**165**
Payment to the holders of contingent convertible bonds	41	-	-	-	-	-	(165)	(165)
Recycling of the accumulated reserve from financial assets measured at FVTOCI	41	-	-	-	-	-	0	0
Balance as at 31/12/2019		**2,620**	**13,075**	**2,040**	**236**	**96**	**(10,514)**	**7,553**

During the current year the Bank amended the presentation of actuarial gains/ (losses) of defined benefit obligations, amounted to an actuarial loss of € 32 million as at 31 December 2019, from “Other reserves” to “Retained earnings”. The respective figures for the comparative year, amounted to an actuarial loss of € 27 million as at 31 December 2018, have been restated to be comparable with the current year.

€ Million	Note	Group		Bank	
		Year ended		Year ended	
		31/12/2019	31/12/2018	31/12/2019	31/12/2018
Cash flows from operating activities from continuing operations					
Profit/ (Loss) before tax		389	80	130	(57)
Adjustments to profit/ loss before tax:					
Add: provisions and impairment		778	656	1,017	733
Add: depreciation and amortisation charge	24, 25	123	103	118	93
Add: retirement benefits and cost of voluntary exit scheme	10	46	147	45	140
Net gain/(losses) from financial instruments measured at fair value through P&L		7	(2)	10	(5)
Net gain/(losses) from financial instruments measured at fair value through other comprehensive income		(5)	(17)	(5)	(17)
(Gains)/ losses from investing activities		(345)	14	(349)	(18)
Cash flows from operating activities before changes in operating assets and liabilities		992	980	967	869
Changes in operating assets and liabilities:					
Net (increase)/ decrease in cash and balances with Central Banks		(1)	357	(0)	357
Net (increase)/ decrease in financial instruments at fair value through profit or loss		(291)	(210)	(292)	(223)
Net (increase)/ decrease in financial assets mandatorily at fair value through profit or loss		(30)	(1)	(30)	(1)
Net (increase)/ decrease in debt securities at amortised cost		(913)	(208)	(913)	(208)
Net (increase)/ decrease in amounts due from banks		(110)	45	(112)	177
Net (increase)/ decrease in loans and advances to customers		(346)	1,312	(413)	1,173
Net (increase)/ decrease in reverse repos with customers		65	(14)	65	(14)
Net (increase)/ decrease in other assets		(78)	(480)	(56)	(368)
Net increase/ (decrease) in amounts due to banks		(2,592)	(5,904)	(2,584)	(5,910)
Net increase/ (decrease) in liabilities at fair value through profit or loss		(62)	62	(62)	62
Net increase/ (decrease) in amounts due to customers		2,611	3,620	2,654	3,618
Net increase/ (decrease) in other liabilities		(19)	(222)	(44)	(286)
Net cash flow from operating activities before income tax payment		(775)	(664)	(821)	(756)
Income tax paid		(3)	(0)	(1)	(0)
Net cash inflow/ (outflow) from continuing operating activities		**(778)**	**(664)**	**(822)**	**(756)**
Cash flows from investing activities of continuing operations					
Purchases of property and equipment	25,26	(83)	(148)	(69)	(109)
Sales of property and equipment and intangible assets		14	33	12	30
Purchases of intangible assets	24	(21)	(31)	(21)	(31)
Purchases of assets held for sale		(0)	(0)	-	-
Sales of assets held for sale other than sales of subsidiaries		245	467	240	466
Purchases of financial assets at fair value through other comprehensive income		(1,773)	(2,153)	(1,765)	(2,152)
Disposals of financial assets at fair value through other comprehensive income		2,529	1,739	2,512	1,734
Acquisition of subsidiaries excluding cash and cash equivalents acquired and participation in share capital (increases)/ decreases		(92)	(1)	(4)	(3)
Sale of subsidiaries and other businesses excluding cash and cash equivalents sold		431	251	430	197
Acquisition, establishment and participation in share capital (increases)/ decreases of associates and joint ventures		(10)	(25)	(8)	(25)
Sales of associates		1	9	1	9
Dividends received		1	7	5	31
Net cash inflow/ (outflow) from continuing investing activities		**1,241**	**146**	**1,333**	**147**
Cash flows from financing activities of continuing operations					
Net proceeds from issue/ (repayment) of debt securities and other borrowed funds		367	93	365	93
Purchases/ sales of treasury shares and preemption rights		0	(0)	-	-
Cash payments for the principal and the interest portion of the lease liability		(31)	-	(28)	-
Payment to the holders of contingent convertible securities	41	(165)	-	(165)	-
Net cash inflow/ (outflow) from continuing financing activities		**171**	**92**	**172**	**93**
Effect of exchange rate changes on cash and cash equivalents		6	(10)	3	(10)
Net increase/ (decrease) in cash and cash equivalents from continuing activities (A)		**640**	**(436)**	**686**	**(526)**
Net cash flows from discontinued operating activities		100	(41)	-	-
Net cash flows from discontinued investing activities		(348)	(357)	-	-
Net cash flows from discontinued financing activities		-	-	-	-
Exchange difference of cash and cash equivalents		(0)	(2)	-	-
Net increase/ (decrease) in cash and cash equivalents from discontinued activities (B)	43	**(249)**	**(400)**	**0**	**0**
Cash and cash equivalents at the beginning of the year (C)		**3,351**	**4,188**	**2,954**	**3,479**
Cash and cash equivalents at the end of the year (A) + (B) + (C)	43	**3,742**	**3,351**	**3,640**	**2,954**

1 General information

Piraeus Bank S.A. (“Piraeus Bank” or the “Bank”) was established in 1916 and its shares are registered and have been listed on the Athens Exchange Securities Market since 1918. The Bank is a credit institution operating in the form of a Société Anonyme under the direct supervision of the European Central Bank (“ECB”) and the Bank of Greece (“BoG”), in accordance with the provisions of Greek Laws 4261/2014 and 4548/2018, as in force and the applicable regulatory framework on the operation of credit institutions and listed companies. According to its codified Articles of Association, the Bank’s business scope is all banking activities recognised or to be recognised by law.

It is noted that L.4548/2018 “Reform of the Law of Sociétés Anonymes” which is effective as of 1 January 2019, combined with the Greek Law 4601/2019 for Corporate Transformations replace the previously in force Greek Codified Corporate Law 2190/1920 for Sociétés Anonymes. The new L. 4548/2018 incorporates into Greek law, inter alia, the provisions of the Shareholders Rights Directive II (SRD II Directive) for the remuneration of the members of the Board of Directors, as well as the transactions with related parties.

The modifications in the legal framework governing the formation and operation of Sociétés Anonymes resulting from the implementation of the new law mainly concern the following sections:

- Incorporation of Société Anonyme (legal formation documents, composition of name, corporate documents)
- Share capital (valuation of contribution in kind, minimum share capital required for company’s formation, certification of initial capital contributions or capital increases)
- Securities issued by Sociétés Anonymes
- Board of Directors (composition and operation, responsibilities, faulty actions or omissions, remuneration policy, remuneration report)
- Related party transactions
- General Assembly Meeting (types of General Assembly Meetings, terms of participation, decision - making rules)
- Minority rights (e.g. establishment of shareholders associations)
- Distribution of profits (distribution of minimum or interim dividend and optional reserves)

Considering the fact that the basic characteristics, the structure as well as the general operating principles of a Société Anonyme have not been altered despite the aforementioned legislative changes, the impact from the implementation of the new legal framework is not material for Piraeus Bank and its subsidiaries (hereinafter “the Group” as a whole).

Piraeus Bank is incorporated and domiciled in Greece. The address of its registered office is 4 Amerikis str., 105 64 Athens, General commercial registry number 225501000. The duration of the Bank lapses on 6 July 2099. Piraeus Bank and its subsidiaries provide services in Southeastern and Western Europe. The Group employs, as of 31 December 2019, in total 12,613 people out of which 999 people refer to discontinued operations (IMITHEA S.A.). The Bank respectively employs 10,843 people.

Apart from the ATHEX General Index, Piraeus Bank’s share is a constituent of other indices as well, such as FTSE/ATHEX (Large Cap, Banks), FTSE (Emerging Markets SC, Med 100, FTSE4Good), MSCI (Global SC, EMEA, Greece), Stoxx (All Europe TMI, Balkan) and S&P (Global, Greece BMI).

The Board of Directors on the approval date of the Annual Financial Statements consists of the following members:

George P. Handjinicolaou	Chairman of the BoD, Non-Executive Member
Karel G. De Boeck	Vice-Chairman of the BoD, Independent Non-Executive Member
Christos I. Megalou	Managing Director & CEO, Executive BoD Member
Venetia G. Kontogouri	Independent Non-Executive BoD Member
Arne S. Berggren	Independent Non-Executive BoD Member
Enrico Tommaso C. Cucchiani	Independent Non-Executive BoD Member
David R. Hexter	Independent Non-Executive BoD Member
Solomon A. Berahas	Non-Executive BoD Member
Alexander Z. Blades	Non-Executive BoD Member
Periklis N. Dontas	Non-Executive BoD Member, HFSF Representative under Law 3864/2010.

According to the Bank's Codified Articles of Association and the current institutional framework, the members of the Bank's Board of Directors are elected by the General Meeting of Shareholders and may be re-elected. The Members of the Board of Directors have a term of three years, which may be extended until the first Ordinary General Meeting convened after such term has elapsed. It is noted that pursuant the Greek Law 3864/2010, a representative of the Hellenic Financial Stability Fund (“HFSF”) participates in the Board of Directors. Furthermore, if a member of the Board of Directors is replaced, then according to the Law and the Bank's Codified Articles of Association, the respective replacement applies solely to the remaining term of the member being replaced. Pursuant to the Annual General Shareholders’ Meeting Resolution as of 28 June 2017, the term of the Board of Directors expires on 28 June 2020, extended as mentioned above.

2 Basis of preparation and significant accounting policies

The accounting policies applied by the Group and the Bank in the preparation of the financial statements are set out below. As permitted by the transitional provisions of IFRS 16, the Group and the Bank have not restated the comparative period information, following the modified retrospective approach. Therefore, the accounting policy as set out in Note 2.2.20 of the Annual Financial Report for the year ended 31 December 2018 applies to the comparative periods.

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 “Financial Statements”) have been prepared in accordance with International Financial Reporting Standards (“IFRSs”), as endorsed by the European Union (the “EU”) at the time of preparing these financial statements.

The amounts are stated in Euro, rounded to the nearest million (unless otherwise stated) for ease of presentation. Any differences between the amounts presented in the primary financial statements and the relevant amounts presented in the accompanying notes, are due to rounding. Where necessary, the comparative figures have been restated to conform to changes in current period's presentation.

The Financial Statements have been prepared under the historical cost convention, except for financial assets and financial liabilities held at fair value through profit or loss ("FVTPL") or at fair value through other comprehensive income ("FVTOCI"), derivative financial instruments and investment property, which have been measured at fair value.

The preparation of the financial statements in conformity with IFRSs requires the use of critical accounting estimates and judgements that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The areas where critical judgements and estimates are significant to the financial statements, are disclosed in Note 3.

2.2 Going concern

Conclusion

Management has concluded that the Financial Statements of the Group and the Bank have been appropriately prepared on a going concern basis as of 31 December 2019 taking into account:

a) the significant positive developments (fiscal discipline, GDP growth recovery, liquidity restoration, real estate prices recovery) that have taken place in the Greek economy during the recent years and the credit expansion witnessed the corporate sector during 2019;

b) the Group's improving liquidity position which is reflected in the stabilization of the loan to deposits ratio at satisfactory levels and the restoration of the liquidity coverage ratio and the net stable funding ratio above minimum regulatory requirements, including zero reliance on Emergency Liquidity Assistance "ELA" since July 2018, and diversified sources of funding;

c) the upward trend in the Group's profitability from continuing operations;

d) the improved capital adequacy of the Group deriving from the issue of a fixed rate subordinated Tier II note (the "TIER II Note") of nominal value € 400 million and € 500 million in June 2019 and in February 2020, respectively, as well as the gain before tax of € 351 million from the disposal of the Bank's Recovery Banking Unit ("RBU") business to Intrum Holding Spain S.A.U. that was completed in October 2019, in conjunction with the Capital Strengthening Plan executed in the 2018-2019 period;

e) the measures taken by the European Commission, the ECB and the SSM in March 2020 to mitigate the effects of COVID-19 in European member state economies, in the firms facing disruptions along with the temporary capital and operational relief measures for European banks; and

f) the measures taken by the Greek government and the Hellenic Bank Association's members to mitigate the effects of COVID-19 in affected lenders.

Macroeconomic environment

In 2019, the Greek economy retained its growth momentum, despite domestic challenges and the uncertainty prevailing in the international environment.

After the completion of the 3rd economic adjustment program (from the European Stability Mechanism -"ESM") in August 2018, Greece joined the economic and fiscal policy coordination cycle of the European Semester and is now scoped into the enhanced supervision of Regulation (EU) 472/2013. In the context of this framework, five successful and on-time reviews were completed from November 2018 to February 2020.

In April 2019, a new set of debt relief measures initially announced in June 2018 were implemented. More specifically, an additional deferral of interest and amortization by 10 years on € 96.4 billion of the European Financial Stability Facility ("EFSF") loans to Greece and the extension of the maximum weighted average maturity by 10 years to 42.5 years were applied. Debt repayment schedule now stretches up to 2070. In parallel, upon successful reviewing, the partial use of Agreement on Net Financial Assets ("ANFA") and Securities Markets Programme ("SMP") profits, as well as, the abolition of the step-up interest rate margin related to part of EFSF loans were agreed. In May and December 2019, these measures were activated resulting to a total amount of € 1.7 billion. At the same time, since June 2018 a cash buffer has been built up in order to cover the Greek sovereign financial needs. In November 2019, an early repayment to the IMF of € 2.7 billion was completed, as part of the outstanding IMF loan repayments. Discussion at a technical level on the possible use of ANFAs and SMPs to reduce gross financing needs or to finance investments, in line with the agreed fiscal targets, has officially begun since December 2019.

In 2019, and in 2020 Moody's, S&P Global and Fitch had gradually upgraded the Greek sovereign rating to "B1" (Stable Outlook), "BB-" (Positive Outlook) and "BB" (Positive Outlook) respectively. In January 2019, Greece returned to International debt markets with a € 2.5 billion five-year bond issuance at a 3.6% yield. Furthermore, in March 2019 and July 2019, Greece issued bonds of nominal value € 2.5 billion each, with a ten-year and seven-year maturity respectively at a yield of 3.9% and 1.9% respectively. While, in October 2019 another € 1.5 billion was raised through reopening of the ten-year issue at a yield of 1.50%. In January 2020 a fifteen-year bond of € 2.5 billion value at a yield of 1.9% was issued. The gradual upwards trajectory of the Greek economy, reflects a solid environment, a necessary condition for the Greek economy to stay on a sustainable growth path.

In 2019, real Gross Domestic Product "GDP" sustaining the growth momentum of 2018 (+1.9%), increased by 1.9% on a yearly basis. Exports, investments and final consumption had positive contribution to growth. At the same time in 2019, the improvement of business and consumer confidence, mainly in the second half of the year, led the revised economic sentiment indicator ("ESI") to 105.4 points (annual average), the highest level since 2007 (2007: 110.7 pt and 2018: 103.8 pt). Moreover, in 2019, the unemployment rate decreased to 17.3% against 19.4% in 2018, with a 2.2% increase in employment on an annual basis. Besides, in 2019 there was a 0.3% inflation (2018: 0.6%), with core inflation over 0.5% (2018: 0.0%), as legislative tax cuts in mid-2019 created deflationary pressures. Furthermore, in 2019, the tourism sector continued its positive momentum and travel receipts amounted to € 18.2 billion (against € 16.1 billion in 2018). Alongside tourism, manufacturing, retail trade, services and exports recorded positive trends in the last three years. Finally, in the last two years there has been a strong recovery in the real estate market. Commercial property prices - as illustrated by the Bank of Greece's (BoG) office price index – increased by 7.2% in 2018 and by 5.4% on annual basis in the first half of 2019. Residential property prices - the apartment price index of the BoG - increased by 1.8% in 2018 and by 7.2% in 2019. At the same time, net foreign direct investment in Greece in real estate reached € 1.4 billion in 2019, against € 1.1 billion in 2018.

Primary risk factors for the developments in the Greek economy, the domestic banking sector in general and for Piraeus Bank in particular, are the global and domestic macroeconomic and financial market conditions, mainly due to the effects of coronavirus (Covid-19) as well as the possible return of the European economy to a recessionary environment and the oil price shocks. Further, the geopolitical developments in the wider region is additional risk factor. To this end, adverse developments regarding growth, fiscal policy, unemployment and the course of real estate could potentially have a negative effect on the Bank's capital adequacy (i.e. impact on the quality of its loan portfolio and its profitability) and its liquidity (i.e. stop attracting or losing deposits, reducing repo interbank transactions with third parties). Management closely monitors the developments and assesses periodically the impact that this might have on its operations and financial performance of the Group.

Liquidity

During 2019, the Group's deposits increased to € 47.4 billion from € 44.7 billion as at 31 December 2018 (+6%). In 2019, the Group's exposure to the Eurosystem decreased to € 350 million from € 3.2 billion as at 31 December 2018 due to the deleveraging of the Bank's loan portfolio and the further increase of customer deposits base. The Bank's ELA funding was fully repaid in July 2018 and remained nil as at 31 December 2019.

In its March and June 2019 meetings, the ECB announced a series of seven new quarterly TLTRO III auctions from September 2019 to March 2021, each with a maturity of two years and specified their terms. During 2019, the Bank returned funding of € 1.0 billion of TLTRO II to ECB, while in September 2019 it participated in the 1st TLTRO III auction, raising € 100 million and in December an additional € 250 million in the 2nd TLTRO III auction and is expected to assess and conclude on the further use of the TLTRO III facility in the next quarterly auctions. In March 2020, as a response to the coronavirus epidemic's effects to the European economy, ECB announced measures that would further facilitate the increase of banks' use of TLTRO III while it would also conduct additional LTROs temporarily to provide immediate liquidity support to the euro area's financial system.

In addition, during 2019 the Group participated in the ECB's Short Term Exercise and submitted additional liquidity monitoring metrics reports on a monthly basis and provided an updated recovery plan and liquidity coverage ratio ("LCR") restoration plan review on a periodic basis to the Single Supervisory Mechanism ("SSM").

The Group's balance sheet deleveraging coupled with the customer deposits restoration in motion, the improved interbank markets access and the Tier II debt issuance in June 2019 enabled the Central Bank funding reliance decrease and the improvement of the Group's funding mix, while it led to the increase of the Group high quality liquid asset (HQLA) buffer. As at 31 December 2019, the Group LCR stood at 117% (thus, above the regulatory requirement of 100%) and the LDR at 79.4%.

Capital adequacy

The Group's Basel III Common Equity Tier 1 (CET-1) ratio as at 31 December 2019 stood at 14.05%. The total regulatory capital ratio, strengthened by circa 80 bp due to the issuance of € 400 million Tier II note in June 2019, stood at 14.92%. The Group's pro-forma CET-1 ratio including the profits for 2019 stood at 14.73% and the pro-forma total regulatory capital ratio at 15.60% as at 31 December 2019. The pro-forma capital adequacy ratio of the Group increases to 16.70%, including both the profits of 2019 and the € 500 million Tier 2 issuance in February 2020. The Overall Capital Requirement ("OCR") ratio stands at 14.25% in 2020, as set by the SSM through the Supervisory Review and Evaluation Process ("SREP"). However, the measures that the ECB Banking Supervision announced on 12 March 2020, allow banks to operate temporarily below the level of capital defined by the Pillar 2 Guidance (P2G) and the capital conservation buffer (CCB). In addition, banks will also be allowed to partially use capital instruments that do not qualify as Common Equity Tier 1 (CET1) capital, for example Additional Tier 1 or Tier 2 instruments, to meet the Pillar 2 Requirements (P2R). For Piraeus Bank these measures translate to an OCR ratio of 11.75%.

The capital-strengthening plan that the Bank has announced in 2018 aiming to restore its capital adequacy ratio above the applicable capital requirements and to accelerate its balance sheet de-risking process and its NPE deleveraging strategy is completed. Piraeus Bank's management is also working on a number of additional initiatives to further strengthen its capital position, creating buffers over and above the supervisory requirements. In this context, Piraeus Bank issued € 500 million of

Tier II notes in February 2020, further strengthening the Group's total capital adequacy ratio.

On 3 June 2019, Piraeus Bank and Intrum announced a long-term strategic partnership, establishing a market-leading servicer for non-performing assets in Greece (the "Intrum Transaction"). The total purchase price consideration agreed with Intrum Holding Spain S.A.U. for acquiring the 80% shareholding plus one share of the Bank's RBU business and the Bank's newly established Real Estate Owned ("REO") company is € 328 million, of which a nominal amount of € 32 million is contingent on the actual future performance of the acquired servicing entities over the period 2020-2022. The Intrum Transaction was completed on 23 October 2019 and the Group recognized a gain before tax of € 351 million in the fourth quarter of 2019.

Please refer to Note 4.16 for further details on the Group and the Bank's capital adequacy.

2.3 Adoption of International Financial Reporting Standards

The following new accounting standards, amendments to existing IFRS and interpretations, have been issued by the International Accounting Standards Board ("IASB"), have been endorsed by the EU as of the date the Financial Statements were issued and are effective from 1 January 2019.

New Accounting Standards

IFRS 16 "Leases". IFRS 16 has been issued in January 2016 and supersedes IAS 17 "Leases", IFRIC 4 "Determining whether an Arrangement contains a Lease", SIC-15 "Operating Leases – Incentives" and SIC-27 "Evaluating the Substance of Transactions Involving the Legal Form of a Lease". IFRS 16 establishes principles for the recognition, measurement, presentation and disclosure of leases, with the objective to ensure that lessees and lessors disclose relevant information in a manner that faithfully represents those transactions. The standard introduces a single lessee accounting model that requires recognition of a right-of-use of asset and a lease liability for all leases with a residual lease term higher than 12 months, unless the underlying asset is of low value. Lessor accounting remains substantially unchanged compared to IAS 17. Accounting treatment for the lessees requires that, upon a lease commencement the lessee recognizes a right-of-use asset and a relevant financial lease liability. The right-of-use asset is initially measured at the amount of the lease liability plus any initial direct costs, estimated cost for dismantling or restoring the asset to its initial condition and any payments less incentives before the commencement date. Subsequently, the right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment, except for the leased investment properties for which the recognized asset is measured at fair value. Respectively, at the commencement date, the lease liability is 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 right-of-use asset is initially measured at the amount of the lease liability.

The Group has adopted IFRS 16 "Leases", which replaces IAS 17 "Leases", on a modified retrospective basis without restating the relevant comparatives as permitted by the transitional provisions of the standard. Therefore, the comparative information for 2018 is reported under IAS 17 and is not comparable to the information presented for the current period. Refer to Note 49 for more details on the impact of the first time adoption of IFRS 16 as at 1 January 2019.

Amendments to Accounting Standards and Interpretations

IFRS 9 (Amendment) "Prepayment Features with Negative Compensation". The amendment allows companies to measure symmetrical options which include prepayable features with negative compensation at amortised cost or at FVTOCI instead of at FVTPL.

IFRIC 23 "Uncertainty over Income Tax Treatments". The interpretation aims to reduce diversity in how companies recognise and measure a tax liability or a tax asset when there is uncertainty including taxable profit or tax loss, tax bases of assets and liabilities, unused tax losses, unused tax credits and tax rates.

IAS 28 (Amendment) “Long-term interests in Associates and Joint Ventures”. The amendment clarifies that companies account for long-term interests in an associate company or a joint venture -to which the equity method is not applied- using the IFRS 9.

IAS 19 (Amendment) “Employee benefits”. The amendment clarifies that if a plan amendment, curtailment or settlements occurs, it is mandatory that the current service cost and the net interest for the period after the remeasurement are determined using the assumptions used for the remeasurement. Furthermore, the amendment clarifies the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling.

IFRS 3 (Amendment) “Business Combinations”. The amendment clarifies that when an entity obtains control of a business that is a joint operation, it remeasures previously held interest in that business.

IFRS 11 (Amendment) “Joint Arrangements”. The amendment clarifies that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.

IAS 12 (Amendment) “Income taxes”. The amendment clarifies that all income tax consequences on dividends (i.e. distribution of profits) should be recognized where the transactions or events that generated distributable profits are recognized.

IAS 23 (Amendment) “Borrowing costs”. The amendment clarifies 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.

The Group and the Bank have adopted the aforementioned amendments and interpretations which did not have a material impact on the Financial Statements

Amendments and interpretations to standards that have been issued by the International Accounting Standards Board and have been endorsed by the E.U., but they are not effective in 2019 nor have they been early adopted by the Group:

Conceptual Framework (Amendment) “Amendments to References to the Conceptual Framework in IFRS Standards”. The new Conceptual Framework does not constitute a substantial revision of the document. The IASB focused on topics that were not yet covered or that showed obvious shortcomings that needed to be dealt with.

IAS 1 and IAS 8 (Amendments) “Definition of material”. The amendments clarify the definition of “material” and aligns the definition used in the Conceptual Framework and the standards themselves.

IFRS 9, IAS 39 and IFRS 7 (Amendment) “Interest Rate Benchmark Reform”. The amendment is designed to support the provision of useful financial information during the period of uncertainty arising from the phasing out of interest-rate benchmarks, such as interbank offered rates (“IBORs”).

The Group and the Bank have not early adopted the above amendments, however it is not expected any material impact on the Group and the Bank’s Financial Statements.

Amendments and interpretations to standards that have been issued by the International Accounting Standards Board but they have not yet been endorsed by the E.U., and therefore they have not been adopted by the Group:

IFRS 3 (Amendment) "Business Combinations". The amendment aims at resolving the difficulties that arise when an entity determines whether it has acquired a business or a group of assets.

IAS 1 (Amendment) "Classification of Liabilities as Current or Non-current". The amendment aims to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

2.4 Significant accounting policies

2.4.1 Consolidation

The consolidated financial statements incorporate the 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 in full on consolidation.

2.4.2 Non-controlling interests

Non-controlling interests are measured on the date of acquisition either at their proportionate interest of the recognized amounts of the acquiree's net assets or at fair value. The choice of measurement 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 Loss of control over a subsidiary or business

When the Group loses its control over a subsidiary or business, 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 or business disposed of, and non-controlling interests, if any. For assets of the subsidiary or business 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.

2.4.4 Associates

Associates are all entities over which the Group has significant influence, but not a controlling interest. Significant influence is generally presumed when the Group holds, directly or indeirectly, more than 20% of the voting rights, unless it can be clearly demonstrated that this not the case. The existence and effect of potential voting rights that are currently exercisable or convertible are considered in assessing whether the Group has significant influence.

Investments in associates are accounted for by applying the equity method of accounting. Under the equity method of accounting, the investment is initially recognised 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’s consolidated income statement) and movements in reserves (recognised in reserves). Dividends received from the associate during the year reduce the carrying value of the investment. Unrealised gains and losses on transactions between the Group and its associates are eliminated to the extent of the Group’s interest in the associate. 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.

2.4.5 Joint ventures

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. The Group recognizes its interest in a joint venture as an investment and accounts for that investment using the equity method (refer to Note 2.4.4).

2.4.6 Investments in subsidiaries, associates and joint ventures in the separate financial statements

In the Bank’s separate financial statements, investments in subsidiaries, associates and joint ventures are measured at cost less impairment.

2.4.7 Impairment of investments in subsidiaries, associates and joint ventures

At each reporting date, the Group and the Bank assess 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 higher than its estimated recoverable amount, it is written down to its recoverable amount.

2.4.8 Foreign Currency translations

Functional and presentation currency

Items included in the financial statements of each of the Group's entities 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 Financial Statements are presented in millions of Euro (€), which is the functional currency of the Bank.

Transactions and balances

Foreign currency transactions are translated into the functional currency using 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. 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 classified as FVTOCI. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Group companies

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 separate financial statements of both companies are reclassified to other comprehensive income upon consolidation.

2.4.9 Interest income and expense

Interest income and expense for all interest bearing financial instruments are recognised in "interest and similar income" and "interest expense and similar charges" in the income statement using the effective interest rate method. The effective interest rate discounts any estimated future payment or proceeds throughout the life of a financial instrument or until the next date of interest reset, in order for the present value of all future cash flows to be equal to the carrying amount of the financial instrument, including any fees or transaction costs incurred. Fees and direct costs relating to financial instruments measured at amortised cost are deferred and amortised to interest income or expense over the life of the instrument using the effective interest rate method.

In particular, the following apply for financial assets:

- For those financial assets classified within Stage 1 or Stage 2, interest income is calculated by applying the effective interest rate to the gross carrying amount of the financial asset.
- For those financial assets classified within Stage 3, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the financial asset cures, then it is transferred to Stage 2.
- For purchased or originated credit impaired ("POCI") financial assets interest income is calculated similar to the Stage 3 loans and by applying the credit adjusted effective interest rate of the financial asset. The credit adjusted effective interest rate is the rate that, at initial recognition, discounts the estimated future cash flows (including credit losses) to the amortised cost of the purchased or originated credit impaired financial asset.

Fees income/expense, relating to financial instruments at amortised cost, such as loans and advances to customers, are deferred and recognised in the income statement as interest income or expense throughout the life of the instrument using the effective interest rate method.

2.4.10 Fees and commission income and expense

The Group applies the following five step model to all contracts with customers, except for lease arrangements and financial instruments:

- Identification of the contract(s) with the customer;
- Identification of the performance obligations in the contract;
- Determination of the transaction price;

- Allocation of the transaction price to the performance obligations; and
- Recognition of revenue when the performance obligation is satisfied.

As such, the Group recognises revenue when a performance obligation is satisfied, that is when control of the services or goods is transferred to the customer.

Fees and commission income/expense are recognised over time when the relevant services are provided. For instance, fee income on asset management services and on real estate management services is recognised as the service is being rendered to the customer.

Loan syndication fees are recognised as income when the syndication has been completed and the Group retains no part on the loan package for itself or retains part at the same effective interest rate with the other participants. Fees and commissions arising from negotiating or participating in the negotiation of a transaction for a third party, such as the arrangement of the acquisition of shares or other securities or the purchase or sale of businesses, are recognised at a point in time when the transaction is completed. Fees on the execution of transactions (e.g. sales and brokerage commissions) are recognised upon completion of the transaction.

2.4.11 Dividend income

Dividend income is recognised when the right to receive payment is established.

2.4.12 Financial assets at fair value through profit or loss (“FVTPL”) or mandatorily at FVTPL and Loans and Advances to Customers mandatorily at FVTPL

Financial assets at FVTPL

Financial assets measured at FVTPL are all financial assets that do not meet the criteria of being measured at either amortised cost or fair value through other comprehensive income (“FVTOCI”). The changes in fair value of such financial assets are recognised in the income statement.

In addition, Management in certain circumstances may designate a financial asset as measured at FVTPL at initial recognition that would otherwise be measured at amortised cost or at fair value through other comprehensive income. Such an election is irrevocable and can only be made if it eliminates or significantly reduces an accounting mismatch from measuring such financial assets or liabilities or recognizing the gains and losses on these financial assets on a different basis.

Financial assets mandatorily at FVTPL

Equity instruments are measured mandatorily at FVTPL unless the Group and the Bank irrevocably elect to measure at FVOCI (please refer to Note 2.2.10).

Debt securities measured mandatorily at FVTPL are exposures for which the contractual terms do not give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI Fail).

Loans and advances to customers mandatorily at FVTPL

Loans and advances to customers mandatorily at FVTPL are credit exposures for which the contractual terms do not give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI Fail).

2.4.13 Sale and repurchase agreements and securities lending

Securities sold subject to repurchase agreements (repos) are reclassified in the financial statements as pledged assets when the transferee has the right by contract to sell or repledge the collateral; the counterparty liability is included in amounts “Due to banks” or “Due to customers”, as appropriate.

Securities purchased under agreements to resell (reverse repos) are recorded as “Reverse repos with customers”. “Reverse repos with customers” are carried at amortised cost using the effective interest rate method.

The difference between sale and purchase price of the aforementioned securities is treated as interest and accrued over the life of the agreements using the effective interest method.

Securities transferred to counterparties by the Group and the Bank are presented in the statement of financial position as assets, in the case that the Group and the Bank retain substantially all the risks and rewards of ownership of these securities.

Securities transferred to the Group and the Bank by counterparties are not recognized in the statement of financial position, except in the case of counterparty’s bankruptcy. If the securities are sold to a third party, the Group recognises the consideration received as well as the corresponding obligation to return the securities, at fair value in the statement of financial position.

2.4.14 Investment Securities measured at fair value through other comprehensive income (“FVTOCI”)

Debt securities

A financial asset is measured at FVTOCI if both of the following conditions are met:

- The asset is held within a business model in which assets are managed to achieve a particular objective by both collecting contractual cash flows and selling assets (Hold to Collect and Sell) and
- The contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A Hold to Collect and Sell (“HTC&S”) business model applies when the Bank has made a decision that both collecting contractual cash flows and selling financial assets are integral to achieving the objective of the business model. In order to determine whether this is so, Management considers:

- If the business model will typically involve greater frequency and value of sales than a Hold to Collect (“HTC”) model,
- If there are various objectives that may be consistent with this type of business model, such as to:
    - manage everyday liquidity needs,
    - maintain a particular interest yield profile, or
    - match the duration of the financial assets to the duration of the financial liabilities that those assets are funding.

The financial assets, after initial recognition, are measured at FVTOCI with any fair valuation gains/losses recorded directly in other comprehensive income. In the income statement, the Group and the Bank recognizes interest income using the effective interest rate method, the impairment losses and the foreign exchange gains and losses. On the date of derecognition or reclassification (when and only when there is a change in the business model) to the FVTPL category, the cumulative fair value gains/losses of debt securities are reclassified from equity to the profit or loss as a reclassification adjustment.

Equity instruments

At initial recognition, the Group and the Bank may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument within the scope of IFRS 9 that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 applies. This election is made on an "one to one" basis.

Furthermore, for equity instruments, in contrast to the FVTOCI debt instruments:

- accumulated gains and losses recognised in other comprehensive income are not subsequently reclassified to the income statement, but may be reclassified within equity (to the retained earnings),
- equity instruments are not subject to any impairment.

Only dividend income on such equity instruments is recognised in the income statement, unless the dividend clearly represents a recovery of part of the cost of the investment. Dividends are recognized in profit or loss only when:

a) the Group's and the Bank's right to receive payment of the dividend is established;

b) it is probable that the economic benefits associated with the dividend will flow to the Group and the Bank; and

c) the amount of the dividend can be measured reliably.

All other gains and losses (including those relating to foreign exchange) are recognised in other comprehensive income.

2.4.15 Derivative financial instruments

Derivative financial instruments mainly include currency and interest rate swaps, forward rate agreements, futures and options (both written and purchased). Derivatives are initially recognised in the statement of financial position at fair value on the date when the Group engages into the contract (i.e. trade date) and subsequently remeasured at fair value through profit or loss. Derivatives are classified as assets when their fair value is positive or as liabilities when their fair value is negative. Where the Group enters into derivative instruments used for trading purposes, realised and unrealised gains and losses are recognised in the income statement. Changes in the fair values of derivative financial instruments are included in "Net gain / (losses) from financial instruments measured at fair value through profit or loss". A derivative may be embedded in another financial instrument, known as "host contract". If the host is any contract other than a financial asset, the embedded derivative is bifurcated from its host and treated as a separate derivative, provided that its risks and economic characteristics are not closely related to those of the host contract, the embedded derivative actually meets the accounting definition of a derivative and the host contract is not carried at fair value with unrealised gains and losses reported in the income statement. If the host contract is a financial asset, the entire hybrid instrument is measured either at amortised cost or fair value.

2.4.16 Hedge accounting

The Group has elected to continue applying hedge accounting under IAS 39, as permitted by IFRS 9. In December 2019, the Bank applied fair value hedge accounting on its interest rate exposure arising from a fixed rate sovereign bond, as the specified criteria to obtain hedge accounting treatment were met. No hedge accounting was applied by the Group in 2018. A hedge accounting relationship is established by the Group, only if all of the following criteria are met:

- at inception of the hedge, there is formal designation and documentation of the hedging instrument, hedged item, hedging objective, strategy and relationship;
- the hedge 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

- the hedge is highly effective on an ongoing basis.

Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used, is amortised to profit or loss over the period to maturity. The amortization is based on the recalculated effective interest rate at the date the amortisation commences. The unamortized adjustment to the carrying amount of a non-interest bearing hedged item is recognized immediately in the income statement.

2.4.17 Loans and advances to customers at amortised cost

Loans and advances to customers include financial assets measured at amortised cost for which both of the following conditions are met:

i. the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and

ii. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI pass).

Loans and advances to customers at amortised cost drawn down by the Group and the Bank are initially recognised at fair value (plus any transaction costs) and measured subsequently at amortised cost using the effective interest rate method. Interest on loans and advances to customers is included in the income statement and is reported as “Interest and similar income”.

The Group and the Bank recognise an expected credit loss impairment on loans and advances to customers at amortised cost when it is estimated that it will not be in a position to receive all payments due, as defined by the contract of the loan. The amount of the ECL allowance for impairment on loans and advances to customers at amortised cost is the difference between all contractual cash flows that are due in accordance with the contract and all the cash flows that the entity expects to receive discounted at the original effective interest rate of the loan (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

The Group and the Bank assess at each reporting period whether there is objective evidence that a loan or a group of loans is impaired.

At each reporting date, an impairment loss equal to 12-month expected credit losses (allocated to Stage 1) will be recognised for all financial assets for which there is no significant increase in credit risk since initial recognition. For financial assets

a. that there is a significant increase in credit risk since their initial recognition (allocated to Stage 2),

b. that are credit impaired (allocated to Stage 3) and

c. that are purchased or originated credit impaired “POCI”,

an impairment loss equal to lifetime expected credit losses will be recognized.

Default Definition

The Group and the Bank apply the EBA NPE definition. In accordance with the Group's and the Bank's Provisioning Policy a financial asset is considered as credit impaired and is classified into Stage 3 when it is classified as NPE[10].

The definition of default is assessed:

- On a facility level for Individuals and for Small businesses,
- On an obligor level for the rest of the portfolios.

The determination of a significant increase in credit risk takes into account many different factors and varies per portfolio type. The main criteria considered in making this determination are the following:

- Primary criteria
    - significant increase in the probability of default (PD) of the financial instrument at the reporting date compared to the one calculated at the initial recognition date, based on certain absolute (3% - 6.5%) and / or relative (200%) thresholds
- Secondary criteria
    - existence of forbearance
    - behavioral flags (i.e. monitoring the maximum delinquency bucket for the last 12 months)
    - existence of default event over the last 12 months
- Backstop
    - the Group and the Bank apply the IFRS 9 presumption that a significant increase of credit risk **(**SICR) has occurred when the financial asset is more than 30 days-past-due and all such exposures are classified in Stage 2.

Key Impairment Modeling Concepts

Expected Credit Loss ("ECL") is a function of the Probability of Default ("PD"), Exposure at Default ("EAD") and Loss Given Default ("LGD") and is estimated by incorporating forward-looking economic information and through the use of experienced credit judgement to reflect factors not captured in models.

The Bank considers as individually significant, facilities to Corporate and Individual customers that satisfy all of the following criteria:

- The aggregate exposure at debtor level at the period end reporting date exceeds the amount of € 1 million or the equivalent in foreign currency.
- The exposures are classified as NPE.

The result of the individual assessment is further adjusted by incorporating the effect of macroeconomic scenarios determined on the basis of the estimates of the collective projection models.

The collective impairment assessment is carried out on all loans classified in Stages 1 and 2 as well as Stage 3 provided that

[10] (COMMISSION IMPLEMENTING REGULATION (EU) 2015/227- https://eurlex.europa.eu/legal-content/EL/TXT/PDF/?uri=CELEX:32015R0227&from=EL)

they have not been individually assessed. Loans and advances to customers at amortised cost are grouped on the basis of similar credit risk characteristics (i.e. arrears bucket, industry sector, business/product segment, and other relevant factors). These characteristics are indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement of the debtor's credit rating), the previously recognised impairment loss is reduced and the gain is recognised in the income statement.

Forborne loans are defined as exposures arising from loan agreements that have been subject to forbearance measures. The measures are considered as a concession of the Group and the Bank to a borrower who is facing or is about to face financial difficulties in fulfilling its financial obligations. Forbearance may involve modification of contractual terms and conditions and / or refinancing of debts.

Forborne loans are tested for impairment in accordance with the IFRS 9 Impairment policy for loans and advances to customers at amortised cost as described above.

2.4.18 Modification of financial assets

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset in accordance with IFRS 9, the Group and the Bank recalculate the gross carrying amount of the financial asset and recognize a "modification gain or loss" in the profit or loss. The gross carrying amount of the financial asset shall be recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). Any costs or fees incurred adjust the carrying amount of the modified financial asset and are amortized over the remaining term of the modified financial asset.

2.4.19 Derecognition of financial assets

A financial asset is derecognized when:

- the contractual rights to the cash flows from the asset expire, or
- the Group and the Bank transfer the financial asset and the transfer qualifies for derecognition.

The term "financial asset" is used to refer to either the whole, or a part, of a financial asset (or the whole or a part of a group of similar financial assets).

The contractual rights to the cash flows from that asset have expired when for example:

- a loan receivable is repaid;
- a purchased option expires unexercised.

The Group and the Bank transfer a financial asset if, and only if, it either:

- transfers the contractual rights to receive the cash flows of the financial asset; or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows on to one or more recipients.

If substantially all the risks and rewards of ownership of the financial asset are transferred, the financial asset must be derecognized and any rights and obligations created or retained in the transfer must be recognized separately as assets or liabilities.

It is a business practice, to proceed with restructuring of debt instruments particularly but not always when debtors are in financial difficulties. The restructuring is a modification to the terms of a loan or an exchange of one debt instrument issued by the borrower for another. If the contractual cash flows of a financial asset are renegotiated or otherwise modified, the Group and the Bank assess whether the rights over the cash flows have expired and thus the financial asset should be derecognized. The Group and the Bank have defined derecognition criteria such as: change of debtor, change of currency denomination, introduction of a conversion to equity option to the modified contract and consolidation of different types of contracts.

On derecognition of a financial asset in its entirety, the difference between:

- the carrying amount of the asset as at the date of the derecognition; and
- the consideration received (i.e. any new asset originated/received less any new liability assumed)

is recognised in the income statement as a “Derecognition gain or loss”.

In addition, any cumulative gain or loss in respect of a FVTOCI debt instrument that is derecognised should be reclassified from equity to the income statement at the date of the derecognition. Conversely, cumulative gains or losses of FVTOCI equity instruments shall not be reclassified from equity to the income statement at the date of the derecognition.

2.4.20 Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

If an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of the existing liability are substantially modified, such an exchange or substantial modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the income statement.

2.4.21 Impairment of subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint ventures are recognised at cost net of any impairment losses.

The Group and the Bank, in the context of the impairment of the carrying amount in its investments in subsidiaries, associates or joint ventures (hereinafter referred to as “Participations”), initially conduct a test to identify trigger events. According the relevant impairment policy, both quantitative and qualitative criteria have been set, using indicators and criteria that are expected to affect the evolution of the Participations and lead to impairment (or not). The qualitative criteria are related to companies’ financial changes, forward-looking developments in the countries and / or economy sectors in which they operate, changes in management etc. If such trigger event for impairment is met, then an impairment test is performed comparing the recoverable amount of the investment with the carrying amount of the investment. If the carrying amount of the investment exceeds its recoverable amount, the carrying amount is reduced to its recoverable amount.

An impairment loss recognised in prior years can be reversed only if there has been a change in the assumptions used to determine the recoverable amount of the investment since the last time an impairment loss was recognized. In this case, the carrying amount of the investment is increased to its recoverable amount and this increase is the reversal of the impairment loss.

2.4.22 Intangible assets

Goodwill

For business combinations, goodwill is measured as the difference of (a) and (b) below:

(a) The aggregate of:

i. the consideration transferred measured at fair value and the amount of any non-controlling interest in the acquiree; and

ii. in a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree.

(b) The net of the acquisition-date amounts of the identifiable assets and the liabilities assumed measured at their acquisition date fair values.

In case of a bargain purchase, that is when the aggregate of the consideration as defined in (a) above is less than the fair value of the net identifiable assets as defined in (b) above, the Group recognizes the resulting gain in the income statement on the acquisition date. Before however recognising a gain on a bargain purchase, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional assets or liabilities that are identified in that review.

Goodwill on business combinations is recognised initially at cost as an intangible asset and subsequently it is measured at cost less accumulated impairment. Gains and losses on the loss of control of a subsidiary include the carrying amount of goodwill relating to the subsidiary sold.

For the purpose of impairment testing, goodwill on a business combination is allocated, to the Cash Generation Units ("CGUs") of the acquired subsidiary according to the business segments presented in Note 5. When an impairment loss is recognised for a CGU, this loss first reduces the carrying amount of goodwill allocated to this cash generating unit and subsequently reduces pro rata the carrying value of the assets in that cash generating unit. An impairment loss recognized for goodwill is not reversed in a subsequent period, according to the requirements of IAS 36 "Impairment of Assets".

Software

Costs associated with the acquisition of software programs, which will probably generate economic benefits to the Group and the Bank for more than one year, are recognised as intangible assets. Expenditure that enhances or extends the performance of computer software programmes beyond their original specifications or software upgrade expenses are added to the original cost of the software, as long as they can be measured reliably.

Subsequent to initial recognition, software is measured at cost, less accumulated amortisation and accumulated impairment loss. Software is amortised on a straight line basis based on its useful life, which is between 2 to 11years.

At the end of each reporting period, the Group and the Bank review the carrying amounts of computer software to determine whether there is any indication of impairment, i.e. whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Whenever the recoverable amount is less than the carrying amount, software is impaired to its recoverable amount.

Costs associated with maintaining the performance of the computer software programmes are recognised as an expense in the profit or loss as incurred.

Software is derecognised when:

(a) it is disposed, or

(b) when no future economic benefits are expected from use or disposal of the software.

The gain/loss on the disposal of software is defined as the difference between the net proceeds of the sale, if any, and the net book value of the software.

Other intangible assets

Other intangible assets are initially recognised at cost when it is expected that future economic benefits will be realised from their use. The cost of the intangible asset also includes every directly attributable cost which is required for the full implementation, production and asset's proper operation. Some examples of directly attributable costs are:

- The staff cost which is directly identified and attributed to the development of a particular intangible asset,
- Payments to outside vendors and collaborators, which are attributed to the intangible asset.

Other intangible assets also include intangible assets recognised through the purchase price allocation exercise for acquisitions of subsidiaries. Other intangible assets can include customer relationships, branch network, trademarks.

Subsequent to initial recognition, other intangible assets are measured at cost less accumulated amortisation and accumulated impairment loss. These assets are amortised in a period of 5-10 years, depending on the useful life of each asset, on a straight line basis. The useful life of other intangible assets is reviewed by the Group and the Bank annually.

At the end of each reporting period, the Group and the Bank review the carrying amounts of other intangible assets to determine whether there is any indication of impairment i.e. whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Whenever the recoverable amount is less than their carrying amount, other intangible assets are impaired to their recoverable amount.

Other intangible assets are derecognised when:

(a) they are disposed, or

(b) when no future economic benefits are expected from their use or disposal.

The gain/loss on disposal of the intangible asset is defined as the difference between the net proceeds of the sale, if any, and the net book value of the intangible asset.

2.4.23 Property and equipment

The Group and the Bank hold property and equipment for use in the supply of services or for administrative purposes. Property and equipment includes: land, own-use buildings, leasehold improvements, furniture and other equipment and transportation means.

Property and equipment are initially measured at cost, which includes all costs necessary to bring an asset into operating condition.

Property and equipment are subsequently measured at historical cost less accumulated depreciation and accumulated impairment loss. Historical cost includes expenditure that is directly attributable to the acquisition of the items. At the end of each reporting period, the Group and the Bank review the carrying amounts of property and equipment to determine whether there is any indication of impairment, i.e. whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and the value in use.

The Group and the Bank apply IAS 23 ''Borrowing costs'', according to which borrowing costs are capitalised as part of the cost of a qualifying asset, as long as the requirements of IAS 23 are fulfilled. Specifically, the requirements of IAS 23 are the following:

a) the borrowing costs should be directly attributable to the acquisition, construction or production of a qualifying asset and b) the borrowing costs would have been avoided if the expenditure on the qualifying asset had not been made.

Subsequent costs are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the Bank and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they incur.

Depreciation on property and equipment is calculated using the straight-line method based on the estimated useful lives and taking into account their residual values. The Group and the Bank conduct an assessment of the estimate for the useful lives and the residual values of the property and equipment on an annual basis.

Depreciation of property and equipment begins when it is available for use and ceases when it is derecognised. In the case where the asset is idle or retired from active use, it continues to be depreciated until it has been fully depreciated. The useful lives per fixed asset category is as follows:

Computer hardware	3-5 years
Leasehold improvements	the shorter of useful life and lease term
Furniture and other equipment	5-10 years
Means of transportation	6-9 years
Own-use buildings	25-40 years
Land	is not depreciated

An own-occupied property is derecognised and its carrying amount is written-off, according to the provisions of IAS 16, upon disposal or when no future economic benefits are expected to flow to the Group and the Bank. Property may be disposed through sale or lease agreement (as lessor) or donation. The gain or loss on disposal of own-occupied property is defined as the difference between the sale price (less cost to sell) and the carrying value of the property as at the date of the disposal. Such gain or loss is recognised in the income statement.

2.4.24 Investment property

Property that is held for long-term rental yields or for capital appreciation is recognised as investment property in the Group and Bank’s statement of financial position. Investment property includes freehold land, freehold buildings or parts of buildings, land and buildings held under operating lease as well as buildings held under finance lease.

A property interest that is held by the Group and the Bank as a lessee under a finance lease it is classified and accounted for as investment property if and only if the definition of investment property is met according to IFRS 16 “Leases”.

Investment property is initially recognised at cost including related transaction costs.

After initial recognition, investment property is carried at fair value, as this is assessed by independent valuers. Fair value is based on active market prices or is adjusted, if necessary, for any difference in the nature, location and condition of the specific asset. Additionally, according to IFRS 13 “Fair Value Measurement”, fair value measurement shall take into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The following valuation methods are used:

i. Comparative Method. According to this method, the valuation will be based on the conclusions drawn from research and collecting comparative data of property having the greatest similarity features with the estimated property.
ii. Income Approach. This method calculates the fair value of each property based on the capitalized value of the present lease.
iii. Cost Approach. This method calculates the fair value of each property based on the cost of replacement of each property or its exploitation.
iv. Mass Appraisal. The purpose of this method is to calculate the current commercial value of property with the use of econometric and spatial econometric techniques.
v. Residual Method. This method is based on the highest price a willing buyer would pay for a plot of land, in order to use it and then operate it.

The above - mentioned valuation methods are used by independent valuers in the context of the fair valuation of investment property. The fair value of investment property that is not estimated by valuers, is determined using a methodology based on valuations that have been carried out.

Investment property that is being redeveloped for continuing use as investment property, or for which the market has become less active, continues to be measured at fair value. Fair values of investment properties reflect current lease income, as well as assumptions for future leases, taking into account current market conditions.

The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property. Some of those outflows are recognised as a liability, including finance lease liabilities in respect of land and buildings classified as investment property. Pursuant to the provisions of IAS 40 “Investment Property”, subsequent expenses are recognized in the carrying amount of the property only when it is probable that future economic benefits associated with the property will flow to the Group and the Bank and its cost can be measured reliably. Improvement and maintenance costs are recognised in the Income Statement during the year in which they incur.

Changes in fair value are recognized in the income statement.

If an investment property becomes owner-occupied, it is reclassified as property and equipment and its fair value at the date of reclassification becomes its new deemed cost.

Property that is being constructed or developed for future use as investment property is classified as property and equipment and stated at cost until construction or development is complete, at which time it is reclassified and subsequently accounted for as investment property.

An investment property is derecognised from the statement of financial position upon disposal. An investment property may be disposed of through a sale or lease agreement. Gains or losses arising from investment property withdrawal or disposal is calculated as the difference between the net disposal proceeds and the carrying amount of the investment property on the date of the disposal. Such difference is recognised in the income statement.

2.4.25 Non-current assets held for sale (“HFS”) and Discontinued operations

The Group and the Bank classify a non current asset as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the following conditions must be met:

a) the non-current asset must be available for immediate sale at its present condition,
b) its sale is highly probable,
c) the appropriate level of management is committed to a plan to sell,
d) an active programme to locate a buyer and complete the plan has been initiated,
e) the non-current asset must be actively marketed for sale at a price that is reasonable in relation to its current fair value, and
f) the sale of the non-current asset must qualify as a completed sale within 12 months from the date of classification in the HFS category.

Assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Assets held for sale are not depreciated. Gains/ losses from sale of these assets are recognised in the income statement.

A discontinued operation of the Group and the Bank, refers to a clearly distinguished business operation of the Group and the Bank that either has been disposed of or is classified as held for sale and:

- represents a separate major line of business or geographical area of operations,
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or
- is a subsidiary acquired exclusively with a view to resale.

Assets and liabilities from discontinued operations are presented in a separate line in the statement of financial position and are not offset. Similarly, profit or loss after tax from discontinued operations is also presented in separate line in the income statement.

2.4.26 Inventories property

Inventories property includes land and buildings acquired by the Group and the Bank through auctions for the full or partial recovery of their receivables. These properties are included in “Other Assets” in the statement of financial position.

Inventories property include land and buildings acquired that do not meet the requirements of IAS 40, as well as property owned by the Group’s subsidiaries that are sold in the context of their normal course of business. Inventories property are accounted for according to IAS 2 “Inventories” and are measured at the lower of cost and net realisable value. The cost of the inventories property is determined using the weighted average cost method. The net realisable value is the estimated selling price, less any expenses necessary to conclude the sale.

Inventories property are derecognised from the statement of financial position at their disposal. The gain/loss resulting from the disposal of the inventories property is determined as the difference between the net realisable value less cost to sell and the carrying amount of the property. This difference is recognized in the income statement.

2.4.27 Leases

Policy applicable after 1 January 2019

Identifying a lease

At inception of a contract, the Group and the Bank assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

A period of time may be described in terms of the amount of use of an identified asset. The Group and the Bank reassess whether a contract is, or contains, a lease only if the terms and conditions of the contract are changed.

Separating components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group and the Bank allocate the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

A. The Group is the Lessee

The Group and the Bank following the provisions of IFRS 16 at the inception of a contract, assess whether the contract is or contains a lease based on whether the Group and the Bank have the right to control the use of an identified asset for a period of time in exchange for a consideration and obtain substantially all the economic benefits from the use of the asset.

At the commencement of the lease, the Group and the Bank recognize a right-of-use asset ("RoU") representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

Under IFRS 16, the Group and the Bank recognize right of use assets and lease liabilities for all its lease contracts that fulfil the definition of a lease.

The Group and the Bank applying IFRS 16 for all leases:

a) recognize lease liabilities in the statement of financial position,

b) recognize right-of-use assets in the statement of financial position,

c) recognize depreciation of right-of-use assets and impairment based on IAS 36 "Impairment of Assets" in the income statement;

d) recognize finance cost on lease liabilities and

e) separate the total amount of cash paid into a principal portion (presented within financing activities) and finance cost (presented within operating activities) in the cash flow statement.

The initial measurement at cost of the RoU assets comprises of:

a) the amount of the initial measurement of the lease liability,

b) any lease payments made less any lease incentives received;

c) any initial direct costs; and

d) an estimate of costs to be incurred in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Regarding the subsequent measurement and derecognition, the Group and the Bank follow the accounting policies and accounting treatment applied for the other assets accounted for in the same asset category as the RoU.

The lease liabilities are initially measured at the present value of the future lease payments using the incremental borrowing rate. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications (which does not constitute a different lease contract). The Group and the Bank derecognize the lease liability from the Statement of Financial Position when, and only when, it is extinguished—i.e. when the obligation specified in the contract is discharged or cancelled or expires.

For short-term leases (lease term of 12 months or less) and leases of low-value assets (below € 5,000), the Group and the Bank recognize a lease expense on a straight-line basis over the lease term as permitted by IFRS 16.

B. The Group is the Lessor

Operating leases

In case that the Group or the Bank is the lessor under an operating lease (with a third party), the leased assets are stated and carried in the statement of financial position like the other –non leased assets- of similar nature. Lease income of the Group or the Bank is recognised over the term of the lease by using the straight line method or other systemic method considered as appropriate.

Finance leases

In case that the Group or the Bank is the lessor under a finance lease (with a third party), the present value of the lease payments is recognized as a receivable in thestatement of financial position. The difference between the gross receivable and the present value of the receivable is recognized as unearned finance income. Rental receipts are separated and reduce the balance of the lease receivable, while the respective interest income is recognised in the income statement on an accrual basis.

Policy applicable before 1 January 2019

A. The Group is the Lessee

Operating leases

Leases of tangible assets under which the lessor retains a significant portion of risks and rewards related to the leased assets, are recognised as operating leases. The Group does not recognise the leased asset in its statement of financial position.

Lease payments under an operating lease, are recognised as an expense in the income statement of the lessee on a straight line basis over the lease term.

Finance leases

Leases where the Group has substantially all the risks and rewards related to the tangible asset are recognised as finance leases.

In case that the Group is the lessee under a finance lease, tangible assets are recognised as assets (in the respective category) and the respective obligation for the lease payments to the lessor as a liability on the statement of financial position.

At the inception of the lease, leased tangible assets are recognised on the statement of financial position at amounts equal to the fair value of the leased property or, if lower, at the present value of the future lease payments. Own use leased assets are depreciated over their useful life, if it is longer than the lease term, only if it is expected that the ownership of the leased assets will pass to the Group at the end of the lease term. Finance lease payments are apportioned between the capital element and the finance charge. The capital element is used as a reduction of the outstanding liability and the finance charge at the income statement is allocated to periods during the lease term.

B. The Group is the Lessor

Operating leases

In case that the Group or the Bank is the lessor under an operating lease, the leased assets are stated and carried in the Statement of Financial Position like the other –non leased assets- of similar nature. Lease income of the Group or the Bank is recognised over the term of the lease.

Finance leases

In case that the Group or the Bank is the lessor under a finance lease, the present value of the lease payments is recognised as a receivable in the statement of financial position. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Rental receipts are separated and reduce the balance of the lease receivable, while the respective interest income is recognised in the income statement on an accrual basis.

C. Sale and leaseback transactions

A sale and leaseback transaction involves the sale of an asset and the leasing back of the same asset. The accounting treatment of a sale and leaseback transaction depends upon the type of the lease involved.

If a sale and leaseback transaction results in a finance lease, any excess of sales proceeds over the carrying amount of the asset is not immediately recognized as income by the seller-lessee but is deferred and amortized over the lease term.

If a sale and leaseback transaction results in an operating lease and it is clear that the transaction is established at fair value, any profit or loss is recognized immediately. If the sale price of the asset is different than its fair value, any gain or loss is recognized immediately. Exceptions to the rule include cases where the future lease payments are differentiated. Hence, if the resulting loss is compensated by lower future lease payments compared to market prices, then the loss is amortised over the period the asset is expected to be used. If the sale price is above fair value, the excess over fair value (profit) is deferred and amortized over the period the asset is expected to be used.

2.4.28 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents are defined as short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash and cash equivalents comprise balances with less than three months maturity from the date of acquisition such as: cash, unrestricted cash and balances with Central Banks, trading securities and due from banks. Mandatory reserves with the Central Bank are not available for everyday use by the Group and the Bank and therefore, these are not included in balances with less than three months maturity.

2.4.29 Provisions

A provision is recognised when:

a) the Group and the Bank have a present legal or constructive obligation as a result of past events,
b) it is probable, that an outflow of resources will be required to settle the obligation, and
c) the amount of the obligation can be reliably estimated.

If any of the aforementioned conditions are not met, no provision is recognised.

When there are a number of similar obligations, the probability that an outflow will be required in the settlement of these obligations, is determined by considering the class of obligations as a whole.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as expense in the income statement.

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation as of the balance sheet date. The amount of the provisions raised is reassessed at each reporting date.

2.4.30 Financial guarantee contracts

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss that incurs because a specified debtor failed to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are issued by banks, financial institutions and other bodies on behalf of customers to secure loans, overdrafts and other banking facilities.

Financial guarantees are initially recognised in the Financial Statements at fair value on the date the guarantee was given. Subsequent to initial recognition, the Group's and the Bank's liabilities under such guarantees are measured at the higher of:

a) the initial measurement, less amortisation calculated to recognise in the income statement the accrued fee income earned on a straight line basis over the life of the guarantee and b) the amount of the provision determined through the expected credit loss calculation.

Any change in the liability relating to guarantees is recognized in the income statement, in the period in which it arises.

2.4.31 Employee benefits

A. Funded post employment benefit plans

The funded pension schemes operated by the Group and the Bank are financed through payments to grouped insurance contracts or social security funds. The Group's and the Bank's pension obligations relate both to defined contribution plans as well as defined benefit plans.

The Group and the Bank pay fixed contributions to Social Security Funds (state owned administered pension funds), grouped insurance contracts, and has no legal or constructive obligation to pay additional contributions, if the Funds or the insurance companies do not hold sufficient assets to pay all employees the related benefits. Thus, these schemes are classified as Defined Contribution plans. The regular employee's contributions constitute net periodic costs for the year in which they are due and as such, they are recognised in the income statement under "Staff costs".

Defined benefit plans are pension plans that define the level of benefits to be provided, usually as a function of one or more factors such as years of service, age and compensation.

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the obligation at the balance sheet date less the fair value of the plan assets.

The defined benefit obligation is calculated annually by independent qualified actuaries using the projected unit credit method.

<u>Actuarial gains and losses</u>

Actuarial gains and losses are recognised directly to the equity of the Group and the Bank, when they arise. These actuarial gains and losses are not recycled to the income statement.

<u>Past service costs</u>

Past service cost is the change in the present value of the defined benefit obligation resulting from a plan amendment or curtailment. This cost is recognised directly to the income statement, when the plan amendment or curtailment occurs.

B. Non funded post-employment benefit plans

The Group and the Bank provide non-funded defined benefit plans to its employees on retirement. The requirements for full vesting of benefit entitlements usually include the fulfilment of the conditions for normal retirement or the completion of a minimum service period.

The expected costs of these benefits are accounted for using a methodology similar to that for funded defined benefit pension plans. These obligations are valued annually by independent qualified actuaries.

2.4.32 Income tax

Income tax

Income tax benefit/ (expense) represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from "profit/(loss) before tax" as reported in the income statement because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Bank's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group and the Bank are able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable will be available to allow all of part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group and the Bank expect, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. Management reviewed the Bank's investment property portfolios and concluded that none of the Bank's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, Management has determined that the "sale" presumption set out in the amendments to IAS 12 "Income Taxes" is not rebutted. As a result, the Group and the Bank have recognized deferred taxes on changes in fair value of the investment properties as the Bank is subject to income taxes on the fair value changes of the investment properties on disposal.

Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

2.4.33 Debt securities in issue, hybrid capital and other borrowed funds

Initial recognition

The liabilities from the issuance of the debt securities, hybrid capital and other borrowed funds are recognised initially at fair value, net of incurred issuance costs.

Subsequent measurement

After initial recognition, the debt securities and hybrid capital are subsequently accounted at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Income Statement over the period of the securities using the effective interest rate method. The Group's and the Bank's debt securities and borrowed funds include: euro medium term note ("EMTN"), securitisations of loans and advances to customers at amortised cost, hybrid capital and subordinated loans.

If the Group and the Bank purchases its own debt securities issued, these are removed from the statement of financial position, and the difference between the carrying amount of the liability and the consideration paid is included in the income statement.

2.4.34 Other financial liabilities measured at amortised cost

Other financial liabilities such as deposits from banks and from customers are measured at fair value upon initial recognition and subsequently are measured at amortised cost.

2.4.35 Securitisation

The Group and the Bank securitise financial assets. These assets are purchased by special purpose entities which in turn issue bonds to investors. The Group consolidates special purpose entities when it controls these entities or holds main part of their risks. In such case, the bonds issued under the securitisation of financial assets are presented in the statement of financial position at their amortized cost, unless the securities issued are own-occupied.

2.4.36 Share capital

Incremental costs directly attributable to the issue of share capital decrease equity.

Dividends on ordinary shares are recognized as a liability during the period in which they are approved by the Annual General Meeting of the Bank's Shareholders. Interim dividends are recognised as a deduction in the Bank's equity when approved by the Board of Directors.

The cost of acquisition of treasury shares (including any attributable incremental transaction costs) is presented as a reduction in equity, until the treasury shares are cancelled or disposed of. The gains or losses from the sale of treasury shares are included directly in equity.

The number of treasury shares held by the Group does not reduce the number of shares issued. Treasury shares held by the Bank are not eligible to receive cash dividends. The relevant provisions according to which purchase of treasury shares is not allowed are referred in Note 40.

2.4.37 Related party transactions

Related parties of the Group and the Bank include:

a) Members of the Bank Board of Directors and the Group Executive Committee, the Group Chief Internal Auditor, the Group Chief Compliance Officer and the CEO's of the significant subsidiaries, collectively "key management personnel" of the Bank,
b) close family members of key management personnel,
c) companies having transactions with the Bank, if the total cumulative participating interest (of key management personnel and their close family members) exceeds cumulatively 20%,
d) the Bank's subsidiaries,
e) the Bank's associates
f) the Bank's joint ventures and
g) the HFSF which holds ordinary shares in the share capital of the Bank and benefits from the special rights stated in article 10 of Law 3864/2010, as amended and in force.

The terms of the transactions with related parties are at arm's length.

2.4.38 Fiduciary activities

The Group and the Bank provide custody services to third parties for a wide range of financial instruments. These services include safekeeping of securities, clearing and settlement of securities transactions in the Greek market and abroad, execution of corporate actions, income collection, etc., on behalf of individuals, companies and institutional investors. The Group receives fee income for providing these services. Trust assets are not assets of the Group and are not recognized in the financial statements. The aforementioned services give rise only to operational risk, as the Group does not guarantee these investments and therefore does not bear any credit risk.

2.4.39 Segment reporting

The CEO, supported by the members of the Group Executive Committee, is considered the Chief Operating Decision Maker for the purposes of identifying the Group's reportable segments. All inter-company transactions between business segments are undertaken on an arm's length basis and inter-segment transactions and balances are eliminated within each relevant segment.

2.4.40 Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is presented in the statement of financial position when, and only when, the Group has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

3 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in Note 2, Management is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant and are reviewed on an ongoing basis. Actual results may differ from these estimates.

The Group believes that the judgements, estimates and assumptions used in the preparation of the consolidated and standalone financial statements are appropriate.

3.1 Critical judgements in applying the Group's accounting policies

The following are the critical judgements, apart from those involving estimations (which are referred separately below), that Management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognized in the financial statements.

Significant increase of credit risk (SICR): The Group and the Bank assess whether a SICR has occurred since initial recognition of a financial asset subject to ECL allowance, based on qualitative and quantitative criteria that include significant Management judgement. Refer to Note 4.2 for further information on the criteria applied.

Segmentation of financial assets with similar credit risk characteristics: The Group and the Bank segment exposures on the basis of shared credit risk characteristics for the purposes of both assessing SICR and measuring ECL allowance on a collective basis. The different segments aim to capture both differences in PDs and recovery rates in the event of default. The grouping of exposures is reviewed on a quarterly basis, in order to ensure that the groups remain homogeneous in terms of their response to the identified shared credit risk characteristics.

Selection and calibration of the Bank's ECL models: The Group and the Bank use various models in estimating the ECL allowance. Judgement is applied in identifying the most appropriate model for each type of asset, as well as for determining the assumptions used in these models. The complexity of the models, as well as dependency to other model-based inputs, are high therefore any changes in inputs and data (e.g. internal credit ratings, behavioral scores etc.), as well as new or revised models, may materially affect the ECL allowance. The models are governed by the Bank's Model Management and Governance Framework and are validated by the Bank's Model Validation Unit ("MVU"), which is independent of the model development process. The MVU reports directly to the Chief Risk Officer ("CRO"). For further information, refer to Note 4.2.

Recognition of deferred tax asset (DTA): Management evaluates the recoverability of the Group's and the Bank's DTA at each reporting period. The recognition of a DTA relies on Management's assessment of the probability and sufficiency of future taxable profits, future reversals of existing taxable temporary differences and ongoing tax planning strategies. In the absence of a history of taxable profits, the most significant judgements relate to expected future profitability and to the applicability of tax planning strategies. The aforementioned assessment is performed by applying either the prevailing tax legislation related to offsetting of tax losses carried forward with profits generated in future periods (e.g. five years), or Article 27A of Law

4172/2013 (DTC Law), as currently in force, which 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. Refer to Note 35 for further information.

Valuation of the Bank's investment and inventory properties: The carrying amount of investment property and the net realizable value of inventory property are measured at fair value. Fair value is estimated on an annual basis, by independent professional appraisers for the entirety of individually significant and a sample of non-individually significant properties. The Bank defines a property as individually significant, if its carrying amount exceeds €5 million. The fair value of properties not assessed by independent appraisers, is determined by the Bank using extrapolation techniques. Had the Bank applied different threshold for defining individually significant properties, or a different extrapolation technique on non-individually significant properties, the carrying amount of the said properties may have been significantly different.

Impairment assessment of the Bank's equity shareholdings in Group companies: The Bank assesses for impairment investments in subsidiaries, associates and joint ventures in its separate financial statements, as described in Note 2.4.7. The Bank performs its assessment based on specific indicators (e.g. market capitalization, multiples etc.) and thresholds, which Management believes are reasonable and supportable in the existing market environment. However, had other criteria or thresholds been applied, the impairment assessment conclusion and measurement would have been different.

3.2 Key sources of estimation uncertainty

The following are key estimations that Management has used in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognized in the financial statements.

Determination of scenarios, scenario weights and macroeconomic factors: To achieve the objective of measuring ECL, the Group and the Bank evaluate a range of possible outcomes in line with the requirements of IFRS 9 through the application of three macroeconomic scenarios i.e. baseline, adverse and optimistic, in a way that reflects an unbiased and probability weighted outcome. Each of the aforementioned scenarios, is based on the Bank's dedicated macro-forecasting model and Management's assumptions for future economic conditions in the form of macroeconomic, market and other factors. Changes in the scenarios and weights, the corresponding set of macroeconomic variables and the assumptions made around those variables would have an effect on the ECL.

Estimation of credit risk parameters on collective ECL assessment: The ECL calculations are based on input parameters, i.e. Exposure At Default ("EAD"), Probability of Default ("PDs"), Loss Given Default ("LGDs"), Credit Conversion Factor ("CCFs"), etc. incorporating Management's view of the future. The Group and the Bank also determine a) the links between macroeconomic scenarios and economic inputs, such as unemployment levels and collateral values, and b) the effect on risk parameters. The forecasting of the risk parameters models incorporates a number of explanatory variables, such as GDP, unemployment etc. which are used as independent variables for optimum predictive capability. Refer to Note 4.2 for more details, including an analysis of the sensitivity of the reported ECL to changes in estimated forward looking information.

Assessment of ECL on an individual basis: For loans that are assessed for impairment on an individual basis, the Group and the Bank take into account all available evidence on a case-by-case basis and the ECL measurement is determined by using a discounted cash flow methodology. The expected cash flows are based on Management's estimates as at the reporting date, reflecting reasonable and supportable assumptions and projections of future recoveries based on a variety of factors, such as business plans and available cash flows, liquidation of collateral in cases it is likely that the recovery of the outstanding amount will include liquidation of the collateral, the fair value of the collateral at the time of expected liquidation, the costs of obtaining and selling the collateral etc. The ECL allowance is very sensitive to the assumptions used in the estimate. There could be a wider range of possible inputs on any individually assessed lending exposure. As a result, it is not practicable to meaningfully quantify ranges of potential outcomes for this type of ECL allowance because of the diverse nature and circumstances related to these inputs and the wide range of uncertainties involved.

Fair valuation of real estate properties: The fair value of real estate property is determined by reference to current market prices for similar properties, adjusted as necessary for condition and location, or by reference to recent transactions updated to reflect current economic conditions. Discounted cash flow techniques may be employed to calculate fair value where there have been no recent transactions, using current external market inputs such as market rents and interest rates. The fair value measurements are carried out by appropriately qualified independent professional appraisers who consider information from various sources, such as: (a) current prices in an active market for properties of different nature, condition or location (or subject to different lease or other contracts), adjusted to reflect those differences, (b) recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices, and (c) discounted cash flow projections based on reliable estimates of future cash flows, derived from the terms of any existing leases and other contracts, and (where possible) from external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows. The fair valuation of real estate properties has a high degree of uncertainty involved, with a wide range of possible outcomes on all types of properties (i.e. individually significant, sampled or extrapolated non-individually significant), hence it is not practicable to meaningfully quantify ranges of potential outcomes to changes in the various inputs utilized in the measurement.

4 Financial Risk Management

4.1 Risk Management Framework

Effective risk management is the key factor of the Risk Management Framework in order for the Group and the Bank to deliver sustained returns to its shareholders. Management 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. The recognition and management of risks arising from the Group and the Bank's activities is a priority in the development of its business strategy. In this regard, a framework for prudent risk management has been established.

Management has adopted practices regarding risk management governance, taking into account all relevant guidelines and regulatory requirements, as set by the Basel Committee on Banking Supervision, the European Banking Authority (EBA), the ECA, the Bank of Greece and the Hellenic Capital Markets commission (“HCMC”), including any decision of the competent authorities supervising the Group’s subsidiaries.

The responsibility for the development and oversight of the risk management framework lies with the Board of Directors (“BoD”). The BoD ensures the development of an appropriate risk management framework, including strategy and policies, by setting acceptable risk limits, while shaping an appropriate internal environment so that every employee of the Group and the Bank is aware of the nature of the risks associated with its duties. In particular, the BoD has established the Risk-Committee whose primary role is to oversee risk management across the Group.

Risk Committee

The Risk Committee is responsible for exercising the duties set out in the internal Operating Regulation, so as to be able to assist the Board of Directors in its work concerning the:

- existence of an appropriate risk management strategy and the definition of maximum acceptable risk levels, as well as the supervision of their application,
- establishment of principles and rules that will govern risk management as regards the identification, assessment, measurement, monitoring, control and management of such risk,
- development of an internal risk management system and the incorporation of suitable risk management policies in the business decision making process,
- compliance of the Group and the Bank, through strict and reliable procedures, with the requirements of the regulatory framework for the risk management function.

Additionally, the Risk Committee controls the independence, adequacy and effectiveness of the operation of the Risk Management Division of the Group and the Bank.

The Risk Committee was established by a BoD decision in accordance with the requirements of Bank of Greece Governors' Act No. 2577/9.3.2006. The Risk Committee is comprised of non-executive members of the BoD, who possess the appropriate knowledge, skills and specialization, in order to comprehend and monitor the risk management strategy of the institution. The Chairman of the Risk Committee is designated by the BoD and must possess significant experience in commercial banking and preferably in risk and capital management, as well as familiarity with the local and international regulatory framework.

The representative of the Hellenic Financial Stability Fund ("HFSF") participates in the Risk Committee, with full voting rights. Furthermore, the observers for the Monitoring Trustee are also present.

The Risk Committee's mission is to:

- ensure that the Group and the Bank have a well-defined strategy for risk management and risk appetite. The Group and the Bank's risk appetite is structured through a number of quantitative and qualitative positions for specific risk categories, including special tolerance levels (per portfolio, sector, geographic region, credit standing, etc.)
- ensure that all forms of risk (including operational risk) connected to the activity of the Group and the Bank are covered effectively
- ensure that the Group and the Bank's risk appetite is clearly communicated to the entire Bank and its subsidiaries and constitutes the basis for the establishment of risk management policies and risk limits at the Group and the Bank,
- ensure the integrated control of risk management, the specialised management of risks and the necessary coordination at the Group and Bank level.

The Risk Committee convenes, upon its Chairman's invitation, as many times as considered necessary in order to accomplish its mission, but not less than once (1) a month. Each member of the Risk Committee is entitled to request the convocation of the Risk Committee in writing for the discussion of specific issues.

Group Risk Management

Group Risk Management is an independent unit in relation to other units of Group and the Bank, which have revenue generating activities and/or are accountable for transactions. The unit carries out responsibilities of Risk Management and Credit Risk Control in accordance with the BoG Governor's Act 2577/9.3.2006 and Greek Law 4261/2014.

Group Risk Management is responsible for the design, development and implementation of the Group and the Bank's policies on risk management and capital adequacy in accordance with the directions of the Board of Directors, which covers the full range of Group and Bank's activities for all types of risk. Group Risk Management is subject to review by Group Internal Audit as to the adequacy and effectiveness of risk management framework (policies, methodologies and procedures).

The Group's Chief Risk Officer ("CRO"), Head of Group Risk Management, participates in all major executive committees, including the Group's Executive Committee, and has a dual reporting line to the Risk Committee and the Bank's Chief Executive Officer ("CEO"), with direct access to the Chairman of the Risk Committee, whenever deemed necessary. In the Senior Credit, Recovery Credit and Asset Liability Management Committees, the CRO preserves a veto right.

The Board of Directors appoints the CRO upon recommendation of the Risk Committee and the appointment or replacement following the approval of the Risk Committee is communicated to the Bank of Greece and the SSM.

In March 2019, the modernized and transformed organisational structure of the Group Risk Management was fully implemented, aiming at a more organized approach to risk management in a consistent, balanced and integrated manner. In addition, the revised structure was better aligned with the Bank strategic targets, including the profitable and sustainable business model, optimization of capital allocation, strengthening of risk monitoring and controls and adoption of superior governance standards as well as meeting the regulatory demands and oversight.

Taking into consideration the overall mission and objectives of the Group Risk Management, a 4-pillar structure was established, with clear and discrete functional areas and responsibilities, and comprised by:

- Risk
- Balance sheet & capital planning
- Control
- Analytics

Furthermore, in alignment with the bank-wide implementation of the Internal Control System Enhancement initiative, Segment Controller role was established with a discrete reporting line to CRO (segment Head).

The key responsibilities of the Group Risk Management are as follows:

develop, evaluate, and recommend amendments to the CRO, with respect to the risk management framework for the Group's activities, according to international best practices as well as the legal, regulatory and supervisory requirements. Ensure that the framework is reviewed at least annually or ad hoc in case there are (a) changes in Group's strategy or business model, or (b) changes in the regulatory framework, business environment or/and in the macroeconomic conditions. In particular, Group Risk Management develops the strategy, policies and procedures in relation to the:

- identification, assessment, measurement, management/control, monitoring and reporting of potential and actual risk exposures,

- establishment, allocation and monitoring of appropriate risk limits (e.g., credit, market, liquidity and operational risks) in cooperation with the relevant committees and units of the Group,
- capital management objectives,
- monitor the implementation of the risk management framework, including the risk and capital strategy, along with the regulatory requirements and the guidelines of Management,
- monitor the adherence to the approved risk appetite framework on an ongoing basis,
- oversee the alignment of the Risk & Capital Strategy with the Business Plan, Restructuring Plan, Funding Plan, Budget, ICAAP, ILAAP and Recovery Plan,
- develop, conduct, monitor and report the Group's Internal Capital Adequacy Assessment Process ("ICAAP") and Internal Liquidity Adequacy Assessment Process ("ILAAP"),
- produce and report the capital adequacy requirements under Pillar I (e.g. credit, market and operational risks),
- document and report the capital adequacy and risk management regulatory disclosures under Pillar III,
- supervise the development and harmonization of the subsidiaries' risk management frameworks with the Group's risk management framework and practices,
- develop awareness about risk exposure, promote risk management culture and support in risk matters all units across the Group,
- participate in the development of the Group and the Bank's Credit Policy,
- lead and coordinate the design and execution of Group-wide solvency stress tests. Exercise periodic and / or temporary stress tests with base and adverse scenarios tailored to the nature and scope of the operations of the Group for all types of risk,
- establish & validate loan impairment models (compliant with the IFRS 9 framework),
- develop Risk Based Pricing Models. The assessment of an internal hurdle rate for every investment decision (loan) will be of utmost importance for the bank and it will contribute towards achieving its goals for sustainable profitability and better understanding of the underlying risks,
- assess new products and activities or significant changes to existing ones prior to their introduction.

Group Risk Management is comprised of the following Units with the below functions and key responsibilities:

Risk

Risk is responsible for the development of the risk management framework (policies, methodologies, models and processes) with respect to credit risk, collateral risk, market, liquidity and ALM related risks. To that end, the unit deploys proper methods, including models, that allow the identification, measurement and monitoring of the aforementioned risks. Furthermore, Risk produces risk-related information (reporting) to the Bank Management, corresponding Committees as well as to the supervisory authorities.

Balance Sheet & Capital Planning

Balance Sheet & Capital Planning supports the development and implementation of the Group's Strategy, aiming at the effective management of risks and balance sheet optimization. To this end, the unit is responsible for the development and maintenance of the Risk and Capital Strategy as well as Risk Appetite Framework of the Group, in accordance with the Risk Committee and Board of Directors' directions and guidance.

Moreover, it is responsible for the design and implementation of the Group's Internal Capital Adequacy Assessment Process (ICAAP) and leads the preparation and execution of regular enterprise-wide stress tests. Further, it is responsible for the coordination and overall maintenance of the Group's Recovery Plan.

Finally, Balance Sheet and Capital Planning is responsible for the measurement, monitoring and reporting of capital requirements and capital adequacy ratios of the Group.

Analytics

Analytics is responsible for undertaking end-to-end holistic analysis with a view to responding to challenges arising within the risk management framework. To that end, the unit employs accounting, financial engineering, product expertise, investigation, intelligence, technology, economics and deep industry skills, along with consistent proven global methodologies to help reduce unwarranted risk and commercial loss. Analytics also coordinates and monitors projects under the hospice of Group Risk Management and being responsible for risk management data and operations.

Control

Control is responsible for the identification, monitoring and assessment of all types of risks (credit, market, operational, liquidity, etc.) arising from the Bank's activities, through the development, implementation and evaluation of an adequate Internal Control System, in order to ensure the safe and efficient operations of the Bank and the achievement of its business objectives. Also, the unit is collaborating with Segment Controllers to accomplish its mission.

In addition, Control is responsible for the development and implementation of an effective operational risk management framework (policies, methodologies and procedures) based on the Group's Risk & Capital Strategy and the regulatory requirements.

Moreover, the unit is responsible for the development and implementation of the credit risk review and assessment of the Group's loan portfolio. More specifically, it systematically reviews and assesses credit exposures, limits and undertaken risks at borrower (or Group of borrowers) level as well as adherence to Credit Policy. Also, it reviews and monitors the credit process through sampling.

Furthermore, Control, via the Model Validation Unit, is responsible to conduct independent assessments of the Bank's models in order to validate their robustness, accuracy and effectiveness. The scope of validation includes credit risk, operational risk, market risk, liquidity & interest rate risk models as well as other models used by the Bank. The assessments are prioritized in the context of the Annual Model Validation Plan, which is approved by the Risk Model Oversight Committee. Model Validation reports with the results of the validation activities, including respective findings and recommendations are submitted for approval to the Risk Model Oversight Committee.

Segment Controller

Segment Controller is responsible to embed a culture of operational risk management and ensure the development of an effective Internal Control System within the segment of his/her responsibility, aiming at the achievement of operational excellence and remediation of control deficiencies in the segment. Furthermore, Segment Controller reviews, supplements and comments on unit Controllers' operational risk assessment.

In addition, Segment Controller provides regular and ad hoc reporting to the CRO (segment Head) concerning operational risk profile of the segment and remediation actions to address underlined risk and control issues.

CRO Office

CRO Office supports and monitors operations under the hospice of CRO and at Group Risk Management level. In addition, the unit has assumed the Secretariat of Risk Committee and facilitates the work related to its authorities.

Committees

Market Scenario Steering Committee: The Market Scenarios Steering Committee reviews and approves scenario variables and probability weights derived by the Economics & Investments Strategy. In addition, it reviews and approves temporary adjustments on the credit risk parameters.

Provisioning Committee: The Provisioning Committee, is responsible for the approval of the quarterly ECL allowances for impairment on loans and advances to customers at amortised cost of the Bank, and, if required, of the Group, as it results from the implementation of the Policies and procedures governing the calculation of individual and collective provisions against credit risk.

The Provisioning Committee is, also, mandated to periodically, and at least annually, review the policies and methodologies (parameters, scenarios, weighting of scenarios etc.), which are applied by the Bank for the calculation of provisions.

Last, the Provisioning Committee is responsible for:

a. monitoring the reclassification of exposures [PE/ FPE/ NPE/ FNPE], as they result from the implementation of the Group and the Bank's Policies and procedures,

b. the examination and approval of any requests for the exception / override from the relevant classification, following the respective request addressed by the Business Units.

Risk Models Oversight Committee: The Risk Models Oversight Committee (RMOC), composed of ExCo members and chaired by the CRO, is mainly responsible for the implementation of the Model Management and Governance Framework and the review and approval of relevant issues.

In particular, the Risk Models Oversight Committee reviews and approves the Model Development Framework, the initiation of the development of new models, as well as the use and the potential removal/replacement of existing ones.
Also, it reviews and approves the Model Validation Framework, the Annual Model Validation Plan and the model validation assessments submitted by the Model Validation Unit and monitors the adherence to the timetable for the implementation of respective recommended actions.

4.2 Credit Risk

Credit risk is defined as the potential risk that a debtor of the Bank or of its subsidiary or other Group's counterparty will fail to meet its obligations in accordance with agreed terms and conditions.

Credit risk is the most significant risk for the Group and the Bank and therefore its effective monitoring and persistent management constitutes a top priority for senior management. The continuous development of infrastructure, systems and methodologies aimed at quantifying and evaluating credit risk is an essential precondition in order to timely and efficiently support Management and the business units in relation to the decision-making, the policy formulation and the fulfillment of supervisory requirements. The Group and the Bank's exposure to credit risk arises mostly from corporate and retail credit, various investments, OTC transactions, derivatives transactions, as well as from transactions' settlement. The amount of risk associated with such credit exposures depends on various factors, including general economic conditions, market developments, debtor's financial condition, amount/type/duration of exposure and the existence of collaterals and guarantees.

The implementation of the credit policy, that describes the principles of the Group and the Bank's credit risk management, ensures effective and uniform credit risk monitoring and control. Management applies a uniform policy and practice with respect to the credit assessment, approval, renewal and monitoring procedures. All credit limits are reviewed and / or renewed at least annually and the responsible approval authorities are determined, based on the size and the category of the total credit risk exposure undertaken by the Group and the Bank for each borrower or group of connected borrower (one obligor principle).

Management has established a credit quality review process to provide early identification of potential changes in the creditworthiness of counterparties, including regular collateral revaluations. Counterparty limits are established by the use of a credit risk classification system, which assigns a risk rating to each counterparty. Risk ratings are subject to regular revision. The credit quality review aims to allow Management to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

Analysis of Concentration Risk

Concentration risk may arise from various types of portfolio incomplete diversification, such as the concentration risk on large borrowers, economic sectors, geographical areas and types of collateral.

Management monitors concentration risk on a regular basis, through a reporting framework which respectively informs Senior Management and the supervisory authorities. In addition to the monitoring of the supervisory limits, the Group and the Bank has set internal limits within the Risk Appetite Framework, which are revised annually.

Country Risk

Country risk reflects the risk of loss arising from macro-economic instability, social events or political uncertainty in a country, including nationalization, expropriation of assets and debt restructuring, affecting the Group and the Bank's earnings and/or capital. It includes sovereign, transfer and political risks.

Management has established internal country limits within the Risk Appetite Framework, which are revised annually.

Counterparty Credit Risk

Counterparty credit risk (CCR) is defined as the risk that the counterparty to a transaction could default before the final settlement of the transaction's cash flows. It refers to derivative instruments, repurchase transactions, securities or commodities lending or borrowing transactions, long settlement transactions and margin lending transactions.

For the effective management of CCR, Management has in place procedures and guidelines for defining, reviewing and monitoring credit limits as well as concentration limits set on a counterparty rating basis. Limits are set either in nominal amounts or risk units (credit equivalent), depending on the transaction and they are revised at least annually. The monitoring of counterparty credit limits' utilization is monitored on a daily basis.

For effective CCR management and regarding credit risk mitigation techniques, Management has in place comprehensive and enforceable legal contracts with its Counterparties such as International Swap Derivatives Association Agreement (ISDA), Credit Support Annex (CSA) and Global Master Repurchase Agreement (GMRA). A master agreement permits the netting of both rights and obligations that arise from derivative transactions that have been performed under such a master agreement upon the counterparty's default, resulting in a single net claim. Moreover, in order to mitigate settlement risk and under specific transactions and conditions covered within master agreements, payment netting is performed. In order to monitor settlement exposures, Management has set Daily Settlement Limits per counterparty.

Derivative Financial Instruments

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values, as recorded on the Statement of Financial Position. In the case of credit derivatives, the Group and the Bank are also exposed to, or protected from, the risk of default of the underlying entity referenced by the derivative. However, to reflect potential losses, the Group and the Bank applies portfolio-based adjustments for credit risk.

With gross-settled derivatives, the Group and the Bank is also exposed to a settlement risk, being the risk that the Group and the Bank fulfil its obligation, but the counterparty fails to deliver the counter value.

Definition of Credit Impaired Exposures / Default

The Group and the Bank have aligned the definition of default for financial reporting purposes with the NPE definition used for regulatory reporting. Thus in accordance with the Group and the Bank's Provisioning Policy a financial asset is considered as credit impaired and is classified into Stage 3 when it is classified as NPE[11].

Credit Rating Models (Probability of Default)

Reliable credit risk measurement is a top priority within the Group and the Bank's Risk Management Framework. The continuous development of infrastructure, systems and methodologies aimed at quantifying and evaluating credit risk is an essential precondition in order to timely and efficiently support Management and the business units in relation to decision-making, policy formulation and the fulfillment of supervisory requirements.

The Group and the Bank operate their internal rating models. More specifically, it runs separate models for its corporate portfolios in which its customers are rated from 1 to 19 using internal grades. The models incorporate both qualitative and quantitative information and, in addition to information specific to the borrower, utilize supplemental external information that could affect the borrower's behavior. For the Retail Portfolio the bank runs Credit Rating (Scoring) Models that incorporate demographic/behavioral/credit bureau information. These information sources are first used to determine the PDs within the Bank's Basel III framework. PDs are then adjusted for IFRS 9 ECL calculations to incorporate forward-looking information and the IFRS 9 Stage classification of the exposures. This is repeated for each economic scenario as appropriate.

[11] (COMMISSION IMPLEMENTING REGULATION (EU) 2015/227 – https://eurlex.europa.eu/legal-content/EL/TXT/PDF /?uri=CELEX:32015R0227&from=EL)

A) Lending Portfolio

For credit risk measurement and monitoring purposes related to the Group and the Bank's loans and advances to customers at amortised cost, the following are performed at a counterparty level:

- The customer's creditworthiness and the probability of default on its contractual obligations is systematically assessed,
- The Group and the Bank's probability of potential recovery, in the event of the debtor defaulting on its obligations is estimated, based on existing collateral, guarantees provided and curing levels.

Management assesses the creditworthiness of its borrowers and estimates the probability of default on their obligations by applying credit rating models appropriate to their special characteristics and features taking into account various historical, current and forward looking information.

Corporate Lending

All Corporate lending customers are assigned to credit rating grades, which correspond to different levels of credit risk and relate to different default probabilities. Each rating grade is associated with specific customer relationship policy/guidelines.

Each category of the credit rating scale corresponds either to a specific guideline or policy of the Bank as far as the relationship with the business borrowers is concerned and is presented in the relevant chapter of the Credit Policy and Practice Manual. The rating scale for business borrowers consists of 19 rating grades that correspond to borrowers that have not defaulted on their contractual obligations. The below table presents, the Group and the Bank's policy mapped to each rating scale:

RATING	CREDITWORTHINESS		GUIDELINES OR SUGGESTED POLICY
1 - 6	Not applicable		
7-10	Strong	Develop relationship	GUIDELINES
11-12	Good	Develop relationship	
13-14	Satisfactory	Carefully develop relationship taking collateral/ security or Maintain relationship	
15-16	Weak	Carefully develop relationship taking strong collateral/ security or Maintain relationship taking adequate collateral	
17-19	Poor	Probable classification/ downgrading or Reduce relationship taking strong collateral/ security or Terminate relationship	SUGGESTED POLICY

The Group and the Bank use distinct credit rating models, according to the type of operations and the size.

More specifically:

Credit Category	Rating System	Rating Scale
Corporate Lending	RA for Corporate customers that keep "C" category accounting books and have a turnover more than € 2.5 million	19-grade
	RA for Corporate customers that keep "C" category accounting books and have a turnover up to € 2.5 million	19-grade
	Small Business Lending Scorecard (small business or personal companies)	Score
	Agricultural Lending Scorecard for agricultures (small business or personal companies)	Score
Specialised Lending	Project Finance PD & Slotting Scorecard	19-grade / 4-Slots
	Object Finance (Shipping) Scorecard	19-grade / 4-Slots
	Manual Rating	19-grade

Manual Rating is applied for customers that no other available rating system can be applied: these are customers with no financial data (i.e. newly established, Special Purpose Vihecles - SPVs) or brokerages and insurance companies.

The Corporate Rating Models incorporate the following information in order to quantify the client risk:

- Historical financial information that includes realized results, solvency ratios, liquidity ratios and any other relevant ratios to measure the client's financial performance.
- Any publicly available information on the clients from external parties. This includes credit bureau information.
- Any other objectively supportable information on the quality and abilities of the client's management relevant for the company's performance.

The complexity and granularity of the rating techniques varies based on the exposure of the Group and the Bank and the complexity and size of the customer. Some of the less complex small business loans are rated within the Group and the Bank's (Scoring) models for retail products.

These models combine financial and statistical analysis together with the expert judgement of responsible officers. Whenever possible, these models are tested by benchmarking against externally available information.

Borrowers are rated when their credit limit is initially determined and thereafter re-rated on at least an annual basis. The ratings are also updated in cases when there is available information that may have a significant impact on the level of credit risk.

Retail Lending

Regarding the retail credit portfolio, there are scorecards of client credit assessment in the Retail Banking portfolio covering different stages of the credit cycle, as follows:

1. Application Scorecards

The Application Scorecards are exclusively based on historical data of applications and behavior and are the result of the implementation of statistical analysis. They are tailored specifically to the Group and the Bank's clients and are customized on a product and purpose basis. Thus, we have five products - based application scorecards and three purpose - based application scorecards in mortgage/ housing loans.

2. Behavioral Scorecards

The Behavioral Scorecards are exclusively based on historical data of client behavior regarding the Bank's products and are the result of the implementation of statistical analysis. They are tailored specifically to the Bank's clients and are customized on a product and days past due basis. Thus, we have two categories of scorecards, the early bucket behavior scores (bucket 0-2) and the late bucket behavior scores (bucket 3+). In total, we have 17 behavioral scorecards.

3. Internal Bureau Scorecard

There is also one scorecard regarding the Group and the Bank's clients' behavior in the market at the moment of the application. This scorecard is exclusively based on historical data and is also the result of the implementation of statistical analysis. It is tailored specifically to the Group and the Bank's clients and is not customized on a product basis.

4. Overall Application Scorecards

These are scorecards which are part of the origination process and combine in essence the above three scorecards. Thus, when a client submits an application, his application score, his behavior score, his bureau score and his Teiresias bureau score are taken into account. These are five scorecards which are customized on a product - category basis, are based on historical data of applications and behavior and are the result of the implementation of statistical analysis.

The aforementioned internal models comprise the basic factors which are used as inputs in PD models for the total retail banking portfolio and for the business banking portfolio as well.

5. Credit Bureau Scoring

In addition, the Group and the Bank have used the credit bureau scoring model of Teiresias S.A., which takes into account the total exposure of borrowers in the Greek market. The usage of this particular model has improved the performance of the existing models.

The policy that is taken into account in the approval process and determine the willingness as well as the ability of the applicant to fulfill his obligations is also based on a range of credit criteria (apart from the aforementioned credit scoring models), such as:

- Age/Citizenship/Profession
- Minimum Income Level

- Monthly Disposable Income (MDI)
- Loan to Income Ratio (LTI)
- Credit history of the customer
- Maximum Unsecured Exposure
- Maximum levels of loan-to-value (LTV) (for collateralized loans) combined with the purpose of the loan
- Collaterals & Guarantees provided
- Maximum limits per Product

Management regularly validates and tests the predictive ability of the creditworthiness evaluation of rating models (Wholesale & Retail), thus ensuring its potential of accurately depicting credit risk and allowing for the timely implementation of measures addressing potential problems.

Recovery based on existing collateral, security and guarantees Along with the assessment of the counterparties' creditworthiness, rating evaluation and during the process of setting and reviewing credit limits, Management estimates the recovery rate related to the exposure in the event the debtors default on their contractual obligations. The estimation of the recovery rate is based on the type of credit as well as the quality of any collateral/ security. According to standard practice, the lower the rating of a borrower, the greater the collateral/ security required, so that the recovery rate is as high as possible in case of borrowers default on their contractual obligations to the Group and the Bank.

Exposure at Default

Exposure at Default (EAD) is equal to the on-balance sheet exposure of the defaulted account on the date of default. Thus, it is equal to the sum of the on-balance sheet exposure of the account on the observation date and any additional amounts that are drawn until the date of default. A transformation commonly used is the Credit Conversion Factor (CCF) which is equal to the ratio of "Balance at default" minus "Balance at observation point" over the undrawn amount at observation point (Limit at observation – Balance at observation).

Loss Given Default

Loss Given Default (LGD) is defined as the ratio of economic loss during the recovery period to the exposure at default. LGD is cash flow oriented and for its computation all costs are included and properly discounted (with the Effective Interest Rate) from the recovery date until the date of default.

For the calculation of LGD, recoveries are also taken into account. "Recoveries" can be of different types:

- Cash recoveries could be considered cash flows from customer, from guarantor, from cured facilities, from security (eligible collateral/guarantee), from debt sale.
- Non-cash recoveries could be considered repossessions.

For the complete LGD estimation additional inputs are used:

- Cures via Modification: Cure Rate level of accounts that have changed to non-defaulted status via the implementation of a Modification.
- Loss given non-cure: Incurred loss from cases that the Group and the Bank have not managed to cure.
- Loss given modification: Incurred losses due to the type of modification that was offered to the client.

Lending Portfolio Quality

The Lending Portfolio according to its quality is segmented on the following categories for both retail and corporate portfolio:

- Strong
    - Retail: Stage 1 Loans and advances to customers at amortised cost that are in Bucket 0
    - Corporate: Stage 1 Non CRE Loans and advances to customers at amortised cost that have rating less or equal to 14
    - Corporate: Stage 1 CRE Loans and advances to customers at amortised cost that have rating less or equal to 10
- Recommended
    - Retail: Stage 1 Loans and advances to customers at amortised cost that are in Bucket 1
    - Corporate: Stage 1 Non CRE Loans and advances to customers at amortised cost that have rating more than 14
    - Corporate: Stage 1 CRE Loans and advances to customers at amortised cost that have rating more than 10
- Substandard
    - Retail: Stage 2 Loans and advances to customers at amortised cost
    - Corporate: Stage 2 Loans and advances to customers at amortised cost
- Default
    - Retail: Stage 3 Loans and advances to customers at amortised cost
    - Corporate: Stage 3 Loans and advances to customers at amortised cost

Unrated corporate loans that belong to Stage 1 are segmented according to their bucket.

The segmentation presented above is highly correlated with the PD levels of each portfolio (among the categories the PD levels differ).

Significant Increase in Credit Risk

The assessment of significant increase in credit risk is key in establishing the point of switching between the requirement to measure an allowance based on 12-month expected credit loss or based on lifetime ECL. If, following this assessment, a significant increase in credit risk occurs, the Group and the Bank recognize a loss allowance amount equal to the expected credit loss (ECL) amount over the life of that financial instrument.

To perform this assessment, the Group and the Bank compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition.

The Group and the Bank's objective is to capture this significant increase in credit risk prior to the financial asset being treated as credit impaired.

The allocation between stages is based on the criteria presented below:

- If at reporting date, the loan is in NPE status, it is allocated to "Stage 3" and lifetime expected losses are calculated.
- If there has been a significant increase in credit risk at reporting date against the credit risk at the initial recognition date, the loan is allocated to "Stage 2" and lifetime expected losses are calculated.
- The remainder of the loans, are allocated to "Stage 1" and expected credit losses are computed for the next 12 months.

The quantitative and qualitative criteria based on which the Group and the Bank assesses whether there is a significant increase in credit risk for an exposure are outlined below.

Corporate and Retail Lending Portfolio

- Primary criteria
  - significant increase in the probability of default (PD) of the financial instrument at the reporting date compared to the one calculated at the initial recognition date, based on certain absolute (3% - 6.5%) and / or relative (200%) thresholds
- Secondary criteria
  - existence of forbearance
  - behavioral flags (monitoring the maximum delinquency bucket for the last 12 months)
  - existence of default event over the last 12 months based on the Defaulted exposures as the identification of the latter is based on the EBA NPE Default Definition
- Backstop
  - 30 days past due (30dpd) or more

Criteria for assessing ECL allowance of Loan and advances to customers at amortised cost on an individual or collective basis

Individually Assessed

In order to better capture the expected risk, the Group and the Bank prepare a list of accounts for which an individual assessment will be performed. Assessment at individual level is performed for loans and advances to customers at amortised cost identified as individually significant, which satisfy all of the following criteria:

- They are extended to borrowers whose total loan exposure at the period end reporting date exceeded the amount of € 1 million or the equivalent in foreign currency for the Bank. Lower thresholds have been established for the subsidiaries.

The exposures are classified as NPE as per the Bank's Credit Policy.

Apart from individually significant loans, additional exposures may be individually assessed, irrespectively of their level of exposure, at the discretion of the Bank's Provisioning Committee.

Description of the ECL Calculation (Individual)

ECL is defined as the difference between all contractual cash flows that are due in accordance with the contract and all the cash flows expected to be received (i.e., all cash shortfalls), discounted at the original EIR (or credit-adjusted EIR for purchased or originated credit-impaired financial assets). All contractual cash flows of the loan and cash flows resulting from the sale of collateral or other credit enhancements are considered.

According to IFRS 9, probability weighted scenarios are taken into account over the expected life of the financial instrument in the estimation of the ECL allowance.

The individual assessment consists of an evaluation of the amount and timing of the cash flows for each particular exposure.

Calculation of ECL under the individual assessment is defined as below:

$$ECL = \sum_{i} (IFRS\ Outstanding\ Balance - Present\ Value\ of\ the\ Recoverable\ Amount) \cdot P_i$$

Where:

- ***IFRS Outstanding Balance:*** Contractual cash flows, attributable to an entity are considered.
- ***Present Value of the Recoverable Amount:*** Quantification of the recoverable amount, based upon the present value of the expected future cash flows, related either to cash recoveries from the obligor or to cash proceeds from the liquidation of loans' collaterals, discounted to their present value at the loans's original effective interest rate (EIR).
- $\boldsymbol{P_i}$: the probability-weight of each scenario, under which the ECL amount is calculated

<u>Collectively Assessed</u>

The Collective Assessment is applied to all other facilities i.e. those allocated in Stages 1 and 2, as well as to those in Stage 3 which have not been subject to individual assessment.

Description of the ECL Allowance Calculation (Collective)

For the calculation of the ECL allowance for impairment on loans and advances to customers at amortised cost assessed on a collective basis, statistical methods are used, based on credit risk parameters. The equation used for the measurement of Lifetime Expected Credit Losses, for all portfolios, is depicted below:

$$LECL = \sum_{i} \left(\sum_{t}^{T} PD_t^i \times LGD_t^i \times EAD_t \times DF_t \right) P_i$$

Where:

- **Time to Maturity (T)**: Remaining time until the maturity of the loan.
- **Probability of Default (PD)**: This parameter expresses the probability of default of a financial instrument. Loans and receivables

classified as Stage 1 are calculated using the 12-month PD, while those classified in Stage 2 are calculated based on PDs over the life of the facility. For Stage 3, PD=1.

- **Loss Given Default (LGD)**: This parameter defines the "expected" credit loss that arises in the event of default of a financial instrument. It is expressed as a percentage of the exposure, which if multiplied by the exposure, gives the amount of the Group and the Bank's loss at the time of the default.
- **Exposure at Default (EAD)**: This parameter defines the exposure value in the event of a default of a financial instrument. The EAD is based on the following formula:

$$EAD_t = (On - Balance\ Sheet\ Exposure)_t + (Off - Balance\ Sheet\ Exposure)_t \cdot CCF_t$$

- **Credit Conversion Factor (CCF)**: This parameter converts off-balance sheet items, such as undrawn exposures, to equivalent On-Balance Sheet credit exposures.
- **Discount Factor in t (DFt)**: Factors used to discount an expected loss to a present value at the reporting date. (Effective Interest Rate – EIR)
- **Probability weighted outcome (Pi)**: the probability-weight of each scenario, under which the ECL amount is calculated.

The Group and the Bank measures ECL of a financial instrument, taking into account multiple possible outcomes. Under the collective assessment, the Group and the Bank applies three alternative scenarios, with their impact being incorporated in the risk parameters of the ECL model. Subsequently, the relevant probability weights are applied in the ECL allowance under each scenario, leading to the probability-weighted ECL allowance.

The Economics and Investments Strategy Unit is responsible for the calculation of alternative macroeconomic scenarios (forecasts of future economic conditions that confirm the forward looking concept of the process), including the projections of relevant macroeconomic variables and the corresponding probability weights, used in the impairment calculation.

Calculation of expected future cash flows for loans and advances to Corporate lending portfolio at amortised cost

Key elements considered for the assessment of future cash flows for loans and advances to Corporate lending portfolio, at amortised cost are presented below:

- **Ongoing operating cash flows**: The operating cash flows of the obligor or guarantor, which are ongoing and eligible to use for the debt repayment.
- **Existing collateral and guarantees**: The current value of the obligor’s existing collaterals and guarantees as well as their eligibility to liquidate are assessed under a forced liquidation scenario or under a scenario of voluntary surrender or sale.
- **Binding Repayment or Settlement Agreements**: Any additional debt restructuring or settlement agreements made between the Group and the Bank and the Obligor are also taken into consideration.
- **Additional Information received by the Account Officer**: Any additional and reliable information available to the Account Officer regarding the borrower’s ability to meet contractual obligation regarding its debt to the Group and the Bank is taken account of.
- **Personal Guarantees of the obligor:** In exceptional cases, those mainly denoting exposures of prominent customers, the value of personal guarantees in favor of the obligor may be taken into consideration. Usage of such personal guarantees in the individual assessment is subject to the assessment of the Bank’s review levels during the impairment assessment process.
- **Special Administration or Reconciliation Process via Art.106, Greek law 3588/2007:** Any proceeds anticipated through the Special Administration or Reconciliation Process via Art.106

The calculation of the expected future cash flows is carried out in accordance with the following two approaches, which are defined in following sub-sections: The Going Concern Approach and Gone Concern Approach.

Going Concern Approach

Under a "going concern" scenario, the operating cash flows of the debtor, or the guarantor, continue and can be used to repay the financial debt to all creditors. The Group and the Bank are considering different approaches depending on the specific borrower when applying the going-concern assumption in determining the cash flows to be received from the operations of the borrower, as well as from the realization of Non-Core collaterals in cases where this is applicable, in the following cases:

- The estimated future cash flows based on the updated financial statements of the debtor / guarantor.
- In restructuring cases, the restructuring plans and the resulting changes to the structure of the entity
- Estimations consider potential investments that are necessary to maintain future cash flows (CAPEX)
- When cash flows are based on the realisation of some assets of the debtor, the Group and the Bank estimate the expected selling price in order to reflect the future expected cash flows derived from the sale of assets less the estimated costs associated with the realization. Collateral may be exercised to the extent it does not influence operating cash flows. In addition, where a "two-step" approach is used (i.e. period by period analysis followed by an estimation of the terminal value), a "gone concern" approach can also be assumed for the second step, involving the liquidation of collaterals.

Based on the previous information, the amount of the expected credit loss will be measured as the difference between the asset's carrying amount and the estimated future cash flows discounted at the financial asset's original effective interest rate.

Gone Concern Approach

When deciding to measure the ECL allowance on a "gone concern" basis, Management determines that the operating cash flows of the debtor cease and collateral is exercised, including any other collections that Management determines as recoverable.

This could be the case when one or a combination of the below takes place:

- Future operating cash flows of the debtor are estimated to be low or negative, or / and
- Exposure is significantly collateralized, and this asset is central to cash flow generation, or / and
- There is a very significant degree of uncertainty surrounding the estimation of the future cash flows, or / and
- Insufficient information is available to perform a going concern analysis.

The sale proceeds from collateral execution are adjusted for liquidation costs and market discounts where applicable. Consideration of market valuations, expectation on collateral liquidation strategy (consensual vs. non-consensual-forced) and underlying legal framework is taken in order to determine market price discount that may need to be applied as well as time to sell assumptions.

Write-offs

The Group and the Bank write-off debt against the ECL allowance in cases of:

- irrecoverable claims, meaning the claims for which i) all required legal actions, foreclosure procedures and recovery collection efforts against the borrower, co-borrowers or guarantors have been exhausted; ii) it is considered that the continuation of in court or out-of-court legal actions are not expected to lead to a positive outcome for the Bank; iii) the recovery cost is economically less favorable compared to the benefit,

- uncollectable claims, meaning the claims resulting from the difference between the IFRS claim and the sum of the operating cash flows, expected to be received and the cash flows resulting from the liquidation of the collateral/security as well as of any other unencumbered assets of all involved parties.

The Group and the Bank proceed to forbearance - resolution & closure treatments with debt forgiveness when it is proven the optimum treatment against other alternative forbearance - resolution & closure treatments, within the framework of managing borrowers with financial difficulties.

Bank's Board of Directors and Provisioning Committee approve accounting write-offs while Bank's Board of Directors or other authorized approval bodies approve debt forgiveness requests.

B) Debt securities and other short term Treasury products

The Group and the Bank recognizes impairment allowances on debt securities and other short-term Treasury products that are measured at amortized cost or at fair value through other comprehensive income.

The amount of expected credit losses (ECL) recognized as an impairment loss allowance depends on the extent of credit deterioration since initial recognition. The assessment of significant deterioration is key in establishing the point of switching between the requirement to measure an allowance based on 12-month ECL and one that is based on lifetime ECL. The approach of recognizing impairment is based on the following allocation to Stages:

- Stage 1: Contains instruments that have not deteriorated significantly in credit quality since initial recognition or have low credit risk at the reporting date.

The Group and the Bank follow the 'low risk simplification', according to which, if a financial instrument has low credit risk, it is assumed that no significant increases in credit risk have occurred. The Group and the Bank consider that all investment grade instruments are low risk instruments; hence, they are allocated to Stage 1.

At stage 1, 12-month ECL is recognized. For instruments with a residual maturity of less than 12 months, ECL is calculated for the remaining period until maturity.

- Stage 2: Contains instruments that have deteriorated significantly in credit quality since initial recognition. At Stage 2, lifetime ECL is recognized.

- Stage 3: Contains instruments that have incurred an actual default (impaired). At Stage 3, lifetime ECL is recognized.

For the assessment of significant credit risk deterioration of non-investment grade instruments and the allocation from Stage 1 to Stage 2 (and vice versa), the Group and the Bank rely on the following two independent conditions: a) external credit rating downgrade (upgrade) since the acquisition date or b) increase (decrease) in the 12-month PD since the acquisition date.

In case where an external credit rating is not available, the Group and the Bank use the internal rating evaluation.

As a parallel staging process, the Group and the Bank also monitor the bond market credit spreads evolution. Any increase in credit spreads above an indicative spread threshold since initial recognition, triggers an internal review process of the affected instruments' current staging in order to assess if the observed change of the credit spread reflects an actual change in credit risk expectations.

Default Definition

A debt security or other short-term Treasury product is regarded as defaulted and consequently allocated to Stage 3, when it has been assigned a 'Default' rating by an external credit rating agency. Furthermore, if the issuer or counterparty has additional obligations with the Bank and is in default in one of these obligations, then based on the cross-contamination rule, the instrument will be assigned to Stage 3.

Expected Credit Loss Estimation

The Group and the Bank use the following key elements to measure ECL for debt securities: Probability of Default (PD), Loss Given Default (LGD), Effective Interest rate (EIR) and Exposure at Default (EAD).

- **PD:** Can be classified in the following two categories:
  - 12-month PD, which corresponds to the estimated PD occurring within the horizon of the next 12 months and is used to compute 12-month ECL for stage 1 allocation
  - Lifetime PD, which expresses the estimated PD occurring over the remaining life of the financial asset and is used to calculate the lifetime ECL for Stage 2 allocation. For stage 3 allocation, PD = 100% is used.
- **LGD:** Defined as the fraction of the total exposure that the Bank estimates not to be able to recover in the case of default. The LGD assumption depends on the type of the issuer, level of seniority and the presence of collateral.
- **EIR:** The yield to maturity of the instrument at the time of acquisition.
- **EAD:** Defined as the total loss that the Bank may incur, from a potential default of the issuer of the financial instrument. The Bank follows a forward amortizing cost approach to calculate EAD. The EAD is estimated assuming that cash flows occurring in all future time periods will not be received and in return, the Bank will receive a recovery amount. EAD is the sum of the discounted cash flows as of the reporting date, using the EIR of the transaction.

The Group and the Bank do not utilize any internal models for estimating the PDs, LGDs or any of the staging criteria used for the ECL calculation of debt securities and other short-term Treasury products. As primary methodology for the staging and ECL calculation, the Bank relies on the assessment of external rating agencies and the published rating-mapped PDs. This approach assumes a single "average" economic state scenario, which represents the average of all possible outcomes under different scenarios of macroeconomic conditions.

The assessment for significant increase in credit risk for debt securities is performed through an automated process. Any other assessment relating to significant increase in credit risk and which leads to different outcome in terms of stage allocation as defined above, will need to be approved by the Provisioning Committee at each reporting date.

Purchased or Originated Credit Impaired

Purchased or originated credit impaired financial assets ("POCI assets") are financial assets that are credit-impaired on initial recognition. In contrast to credit-impaired financial assets, the corresponding assessment for POCI-assets is performed at initial recognition instead of subsequent periods.

If the loan is a POCI asset, lifetime expected credit losses are calculated, either in its recognition or at a later stage. POCI assets remain in POCI category for their entire lifetime, and are not assessed for stage allocation or any stage transfers.

Analysis of inputs to the ECL model under multiple economic scenarios

The table below shows the values of the key forward looking economic variables/assumptions used in each of the economic scenarios for the ECL calculations. The Economics and Investments Strategy Unit of the Group and the Bank produces forecasts for the possible evolution of macroeconomic variables that affect the level of expected credit losses of loan portfolios under multiple economic scenarios. When estimating the ECLs, the Management considers three scenarios and each of these are associated with different PDs and LGDs (Optimistic – Base – Pessimistic). Management has assigned the following weights in each scenario: 60% base scenario, 20% optimistic and 20% pessimistic. When relevant, the assessment of multiple economic scenarios also incorporates how defaulted loans are expected to be recovered, including the probability that the loans will cure.

Group	ECL Key drivers Scenario	
31/12/2019	Assigned Probabilities %	4 year average %
GDP growth		
Optimistic	20	4.5
Base	60	2.5
Pessimistic	20	0.6
Unemployment rates		
Optimistic	20	11.3
Base	60	13.2
Pessimistic	20	15.1
Price index (Residential)		
Optimistic	20	8.9
Base	60	7.0
Pessimistic	20	5.1
Price index (Non residential)		
Optimistic	20	6.2
Base	60	4.2
Pessimistic	20	2.3

Group	ECL Key drivers Scenario	
31/12/2018	Assigned Probabilities	4 year average
	%	%
GDP growth		
Optimistic	20	4.4
Base	60	2.4
Pessimistic	20	0.0
Unemployment rates		
Optimistic	20	13.6
Base	60	14.7
Pessimistic	20	16.0
Price index (Residential)		
Optimistic	20	5.5
Base	60	3.3
Pessimistic	20	0.7
Price index (Non residential)		
Optimistic	20	5.2
Base	60	3.7
Pessimistic	20	2.0

Annual key economic indicators projections used in the ECL models (Base Scenario)

The expected Real GDP growth rate over the next years has marginally revised upwards, given that the expected outcome in 2019 is close to what projected. Real GDP is expected to continue growing at around 2.5% in the coming 4 years, deeply contingent on the stability of the economic (domestic and international) environment and on the implementation of the reforms of the economic policy. The labor market is progressively improving in the last years, as employment is following a steadily growth path and unemployment is continuously falling. This downward path is expected to accelerate, converging in the long run in the steady state estimation. Both residential and non-residential price indices follow a higher upward path, as the actual data for 2018-2019 show a faster than expected recovery in the real estate market and as disposable income is gradually strengthened.

Multiple scenarios on the allowance

Given that the Group's allowance is mainly driven by the Bank, Management assessed and considered the sensitivity of the Bank's ECL allowance on loans and advances to customers at amortised cost, against reasonably possible changes in real GDP growth, compared to the forward-looking scenarios utilised in the ECL measurement as of 31 December 2019. The sensitivity analysis was performed assuming a "favorable' and an "adverse" shift in the three forward-looking scenarios for GDP by 1 percentage point, thus affecting the full GDP growth trajectory. A complete re-estimation of all modelled macroeconomic variables was performed conditioned on the aforementioned "favorable" and "adverse" variations of the original forward-looking scenarios, since GDP plays a pivotal role in the modelling of all other macroeconomic variables.

The following table includes the ECL impact as of 31 December 2019, for each of the alternative scenarios assumed. The 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			Total
	Stage 1	Stage 2	Stage 3	
Higher GDP (+1%)	(3)	(25)	(178)	**(205)**
Lower GDP (-1%)	2	27	143	**172**

4.3 Credit Risk Management

Maximum exposure to credit risk before collateral held or other credit enhancements

The following table represents the maximum credit risk exposure of the Group and the Bank as 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.

	Group		Bank	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Due from banks (Note 17)	1,307	1,120	1,239	1,130
Derivative financial instruments (Note 18)	479	378	479	380
Financial assets at fair value through profit or loss (Note 19)	655	372	654	372
Loans and advances to customers at amortised cost (Note 20)	39,162	39,757	39,801	40,557
Financial assets at FVTOCI (Note 21)	1,437	2,097	1,435	2,093
Debt securities at amortised cost (Note 22)	1,121	208	1,121	208
Loans and advances to customers classified as held for sale (Note 27)	264	304	259	304
Other assets (Note 28)	2,304	2,328	2,317	2,392
Credit commitments (Note 39)	3,452	3,290	3,719	3,556
Total	**50,181**	**49,854**	**51,024**	**50,992**

The below tables show the gross amounts of the Group and the Bank's credit exposures for financial instruments at amortised cost or at fair value through other comprehensive income, as well as the off balance credit exposures.

Group	Stage 1	Stage 2	Stage 3		POCI		Total
31/12/2019			Collective	Individual	Collective	Individual	
Due from banks	1,307	-	-	-	-		**1,307**
Loans and advances to customers at amortised cost	19,979	4,999	7,390	10,431	5,348	2,000	**50,148**
Retail Lending	**6,679**	**2,819**	**4,560**	**425**	**3,501**	**119**	**18,103**
Mortgages	5,399	2,236	3,328	351	2,515	86	**13,914**
Consumer, Personal and Other	888	441	1,047	73	892	32	**3,372**
Credit Cards	392	143	186	1	93	1	**816**
Corporate and Public Sector Lending	**13,300**	**2,180**	**2,830**	**10,006**	**1,848**	**1,882**	**32,046**
Large Corporate	7,011	865	119	4,104	108	415	**12,621**
SMEs	4,549	1,314	2,711	5,892	1,737	1,467	**17,670**
Public Sector	1,740	1	0	11	3	-	**1,754**
Debt securities measured at FVTOCI	1,437	-	-	-	-	-	**1,437**
Debt securities at amortised cost	1,121	-	-	-	-	-	**1,121**
Reverse repos with customers	38	-	-	-	-	-	**38**
Other assets - Financial assets	646	89	12	447	-	-	**1,194**
Total on balance sheet credit exposures	**24,528**	**5,088**	**7,403**	**10,878**	**5,348**	**2,000**	**55,245**
Financial guarantees	2,642	76	304	-	-	-	**3,022**
Letters of credit	23	-	1	-	-	-	**25**
Irrevocable undrawn credit commitments	330	55	7	-	12	-	**405**
Total off balance sheet credit exposures	**2,995**	**132**	**313**	**0**	**12**	**0**	**3,452**

Group	Stage 1	Stage 2	Stage 3		POCI		Total
31/12/2018			Collective	Individual	Collective	Individual	
Due from banks	1,120	0	0	-	0	-	**1,120**
Loans and advances to customers at amortised cost	19,221	5,894	7,766	11,683	5,934	2,593	**53,091**
Retail Lending	**7,049**	**2,820**	**4,851**	**475**	**3,989**	**148**	**19,331**
Mortgages	5,831	2,165	3,355	395	2,664	112	**14,523**
Consumer, Personal and Other	817	510	1,241	78	1,184	35	**3,865**
Credit Cards	400	145	255	1	142	1	**943**
Corporate and Public Sector Lending	**12,172**	**3,074**	**2,915**	**11,208**	**1,945**	**2,445**	**33,760**
Large Corporate	6,489	1,210	80	4,211	95	690	**12,776**
SMEs	3,961	1,863	2,834	6,986	1,847	1,754	**19,246**
Public Sector	1,722	1	1	11	3	0	**1,738**
Debt securities measured at FVTOCI	2,095	2	-	-	-	-	**2,097**
Debt securities at amortised cost	208	-	-	-	-	-	**208**
Reverse repos with customers	103	-	-	-	-	-	**103**
Other assets - Financial assets	730	18	35	366	-	-	**1,149**
Total on balance sheet credit exposures	**23,477**	**5,914**	**7,800**	**12,049**	**5,934**	**2,593**	**57,768**
Financial guarantees	2,388	75	325	-	-	-	**2,788**
Letters of credit	31	0	2	-	-	-	**33**
Irrevocable undrawn credit commitments	391	63	5	0	10	-	**469**
Total off balance sheet credit exposures	**2,810**	**138**	**332**	**0**	**10**	**0**	**3,290**

Bank	Stage 1	Stage 2	Stage 3		POCI		Total
31/12/2019			Collective	Individual	Collective	Individual	
Due from banks	1,239	-	-	-	-	-	**1,239**
Loans and advances to customers at amortised cost	21,115	4,780	7,054	10,488	5,268	1,891	**50,595**
Retail Lending	**6,671**	**2,819**	**4,560**	**423**	**3,501**	**119**	**18,093**
Mortgages	5,398	2,236	3,328	350	2,515	86	**13,914**
Consumer, Personal and Other	881	441	1,047	72	892	32	**3,364**
Credit Cards	392	143	186	1	93	1	**816**
Corporate and Public Sector Lending	**14,444**	**1,961**	**2,494**	**10,064**	**1,767**	**1,773**	**32,502**
Large Corporate	8,614	885	34	4,527	99	408	**14,568**
SMEs	4,094	1,075	2,459	5,526	1,666	1,365	**16,186**
Public Sector	1,735	1	0	10	3	-	**1,749**
Debt securities measured at FVTOCI	1,435	-	-	-	-	-	**1,435**
Debt securities at amortised cost	1,121	-	-	-	-	-	**1,121**
Reverse repos with customers	38	-	-	-	-	-	**38**
Other assets - Financial assets	716	37	12	369	-	-	**1,133**
Total on balance sheet credit exposures	**25,664**	**4,816**	**7,066**	**10,856**	**5,268**	**1,891**	**55,562**
Financial guarantees	2,854	76	304	-	-	-	**3,234**
Letters of credit	22	-	1	-	-	-	**23**
Irrevocable undrawn credit commitments	387	55	7	-	12	-	**461**
Total off balance sheet credit exposures	**3,262**	**132**	**313**	**0**	**12**	**0**	**3,719**

Bank	Stage 1	Stage 2	Stage 3		POCI		Total
31/12/2018			Collective	Individual	Collective	Individual	
Due from banks	1,130	-	-	-	-	-	**1,130**
Loans and advances to customers at amortised cost	20,448	6,070	7,453	11,053	5,879	2,438	**53,342**
Retail Lending	**7,042**	**2,820**	**4,851**	**473**	**3,989**	**148**	**19,323**
Mortgages	5,831	2,165	3,355	394	2,664	112	**14,521**
Consumer, Personal and Other	811	510	1,241	78	1,184	35	**3,859**
Credit Cards	400	145	255	1	142	1	**942**
Corporate and Public Sector Lending	**13,407**	**3,250**	**2,603**	**10,580**	**1,889**	**2,290**	**34,019**
Large Corporate	8,022	1,758	36	4,080	95	672	**14,663**
SMEs	3,663	1,491	2,566	6,490	1,791	1,617	**17,618**
Public Sector	1,722	1	0	10	3	0	**1,737**
Debt securities measured at FVTOCI	2,091	2	-	-	-	-	**2,093**
Debt securities at amortised cost	208	-	-	-	-	-	**208**
Reverse repos with customers	103	-	-	-	-	-	**103**
Other assets - Financial assets	832	3	10	314	-	-	**1,160**
Total on balance sheet credit exposures	**24,813**	**6,075**	**7,463**	**11,367**	**5,879**	**2,438**	**58,036**
Financial guarantees	2,612	75	325	-	-	-	**3,012**
Letters of credit	30	0	2	-	-	-	**32**
Irrevocable undrawn credit commitments	434	63	5	-	10	-	**513**
Total off balance sheet credit exposures	**3,076**	**138**	**332**	**0**	**10**	**0**	**3,556**

4.3.1 Loans and advances to customers at amortised cost

For credit risk management purposes, the Group monitors its credit risk exposure on all acquired loans and advances to customers at amortised cost on a gross basis, i.e. the exposure at default is grossed up with the unamortised purchase price allocation adjustment as of the reporting date (the "PPA adjustment").

For the purposes of this disclosure, gross carrying amount is defined as the amortised cost, before adjusting for any loss allowance, grossed up with the PPA adjustment. Similarly, the ECL allowance for impairment losses presented in the following tables includes the PPA adjustment. As such, the gross carrying amount and ECL allowance for impairment losses presented below does not reconcile to Note 20.

Loans and advances to customers at amortised cost are summarised as follows:

Group - 31/12/2019	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Credit impaired Lifetime ECL	POCI Credit impaired Lifetime ECL	Total
Mortgages					
Gross carrying amount	5,399	2,236	3,679	2,601	**13,914**
Less: ECL Allowance for impairment losses	(2)	(35)	(942)	(707)	**(1,686)**
Total Mortgages	**5,396**	**2,201**	**2,737**	**1,895**	**12,228**
Consumer, Personal and Other loans					
Gross carrying amount	888	441	1,119	924	**3,372**
Less: ECL Allowance for impairment losses	(28)	(53)	(698)	(571)	**(1,350)**
Total Consumer, Personal and Other loans	**860**	**388**	**422**	**353**	**2,022**
Credit Cards					
Gross carrying amount	392	143	187	94	**816**
Less: ECL Allowance for impairment losses	(2)	(7)	(159)	(84)	**(251)**
Total Credit Cards	**391**	**136**	**28**	**10**	**565**
Retail Lending					
Gross carrying amount	6,679	2,819	4,985	3,619	**18,103**
Less: ECL Allowance for impairment losses	(33)	(95)	(1,799)	(1,361)	**(3,288)**
Total Retail Lending	**6,647**	**2,724**	**3,186**	**2,258**	**14,815**
Loans to Large Corporate					
Gross carrying amount	7,011	865	4,222	523	**12,621**
Less: ECL Allowance for impairment losses	(52)	(38)	(1,752)	(236)	**(2,078)**
Total Loans to Large Corporate	**6,959**	**827**	**2,470**	**286**	**10,543**
Loans to SMEs					
Gross carrying amount	4,549	1,314	8,603	3,204	**17,670**
Less: ECL Allowance for impairment losses	(32)	(105)	(3,749)	(1,730)	**(5,615)**
Total Loans to SMEs	**4,518**	**1,209**	**4,854**	**1,474**	**12,054**
Loans to Public Sector					
Gross carrying amount	1,740	1	11	3	**1,754**
Less: ECL Allowance for impairment losses	(1)	(0)	(4)	(0)	**(5)**
Total Loans to Public Sector	**1,739**	**1**	**7**	**3**	**1,749**
Corporate and Public Sector Lending					
Gross carrying amount	13,300	2,180	12,836	3,730	**32,046**
Less: ECL Allowance for impairment losses	(85)	(143)	(5,504)	(1,967)	**(7,699)**
Total Corporate and Public Sector Lending	**13,215**	**2,037**	**7,332**	**1,763**	**24,347**
Loans and advances to customers at amortised cost					
Gross carrying amount	19,979	4,999	17,821	7,349	**50,148**
Less: ECL Allowance for impairment losses	(117)	(238)	(7,303)	(3,328)	**(10,986)**
Total Loans and advances to customers at amortised cost	**19,862**	**4,761**	**10,518**	**4,021**	**39,162**

Group - 31/12/2018	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Credit impaired Lifetime ECL	POCI Credit impaired Lifetime ECL	Total
Mortgages					
Gross carrying amount	5,831	2,165	3,750	2,776	**14,523**
Less: ECL Allowance for impairment losses	(4)	(65)	(1,004)	(750)	**(1,824)**
Total Mortgages	**5,827**	**2,100**	**2,746**	**2,026**	**12,699**
Consumer, Personal and Other loans					
Gross carrying amount	817	510	1,319	1,219	**3,865**
Less: ECL Allowance for impairment losses	(28)	(81)	(827)	(756)	**(1,692)**
Total Consumer, Personal and Other loans	**789**	**429**	**492**	**463**	**2,174**
Credit Cards					
Gross carrying amount	400	145	256	142	**943**
Less: ECL Allowance for impairment losses	(2)	(6)	(205)	(121)	**(333)**
Total Credit Cards	**398**	**139**	**51**	**21**	**610**
Retail Lending					
Gross carrying amount	7,049	2,820	5,325	4,137	**19,331**
Less: ECL Allowance for impairment losses	(34)	(152)	(2,036)	(1,626)	**(3,848)**
Total Retail Lending	**7,014**	**2,669**	**3,289**	**2,511**	**15,482**
Loans to Large Corporate					
Gross carrying amount	6,489	1,210	4,292	786	**12,776**
Less: ECL Allowance for impairment losses	(84)	(85)	(2,204)	(421)	**(2,794)**
Total Loans to Large Corporate	**6,405**	**1,125**	**2,088**	**364**	**9,982**
Loans to SMEs					
Gross carrying amount	3,961	1,863	9,820	3,601	**19,246**
Less: ECL Allowance for impairment losses	(36)	(130)	(4,500)	(2,021)	**(6,687)**
Total Loans to SMEs	**3,926**	**1,733**	**5,321**	**1,580**	**12,559**
Loans to Public Sector					
Gross carrying amount	1,722	1	11	3	**1,738**
Less: ECL Allowance for impairment losses	(1)	(0)	(4)	(0)	**(4)**
Total Loans to Public Sector	**1,722**	**1**	**8**	**3**	**1,734**
Corporate and Public Sector Lending					
Gross carrying amount	12,172	3,074	14,123	4,390	**33,760**
Less: ECL Allowance for impairment losses	(120)	(215)	(6,707)	(2,443)	**(9,485)**
Total Corporate and Public Sector Lending	**12,052**	**2,858**	**7,416**	**1,947**	**24,275**
Loans and advances to customers at amortised cost					
Gross carrying amount	19,221	5,894	19,448	8,527	**53,090**
Less: ECL Allowance for impairment losses	(154)	(367)	(8,743)	(4,069)	**(13,333)**
Total Loans and advances to customers at amortised cost	**19,067**	**5,527**	**10,705**	**4,458**	**39,757**

Bank - 31/12/2019	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Credit impaired Lifetime ECL	POCI Credit impaired Lifetime ECL	Total
Mortgages					
Gross carrying amount	5,398	2,236	3,678	2,601	**13,914**
Less: ECL Allowance for impairment losses	(2)	(35)	(941)	(707)	**(1,685)**
Total Mortgages	**5,396**	**2,201**	**2,737**	**1,895**	**12,228**
Consumer, Personal and Other loans					
Gross carrying amount	881	441	1,119	924	**3,364**
Less: ECL Allowance for impairment losses	(28)	(53)	(697)	(571)	**(1,350)**
Total Consumer, Personal and Other loans	**852**	**388**	**421**	**353**	**2,014**
Credit Cards					
Gross carrying amount	392	143	187	94	**816**
Less: ECL Allowance for impairment losses	(2)	(7)	(159)	(84)	**(251)**
Total Credit Cards	**390**	**136**	**28**	**10**	**564**
Retail Lending					
Gross carrying amount	6,671	2,819	4,984	3,619	**18,093**
Less: ECL Allowance for impairment losses	(32)	(95)	(1,798)	(1,361)	**(3,286)**
Total Retail Lending	**6,638**	**2,724**	**3,186**	**2,258**	**14,807**
Loans to Large Corporate					
Gross carrying amount	8,614	885	4,561	507	**14,568**
Less: ECL Allowance for impairment losses	(51)	(37)	(1,999)	(228)	**(2,315)**
Total Loans to Large Corporate	**8,563**	**848**	**2,563**	**279**	**12,253**
Loans to SMEs					
Gross carrying amount	4,094	1,075	7,986	3,030	**16,186**
Less: ECL Allowance for impairment losses	(25)	(101)	(3,445)	(1,618)	**(5,188)**
Total Loans to SMEs	**4,070**	**974**	**4,541**	**1,412**	**10,997**
Loans to Public Sector					
Gross carrying amount	1,735	1	11	3	**1,749**
Less: ECL Allowance for impairment losses	(1)	(0)	(4)	(0)	**(5)**
Total Loans to Public Sector	**1,734**	**1**	**7**	**3**	**1,744**
Corporate and Public Sector Lending					
Gross carrying amount	14,444	1,961	12,558	3,540	**32,502**
Less: ECL Allowance for impairment losses	(77)	(138)	(5,447)	(1,846)	**(7,508)**
Total Corporate and Public Sector Lending	**14,367**	**1,822**	**7,111**	**1,694**	**24,994**
Loans and advances to customers at amortised cost					
Gross carrying amount	21,115	4,780	17,542	7,159	**50,595**
Less: ECL Allowance for impairment losses	(109)	(233)	(7,245)	(3,207)	**(10,794)**
Total Loans and advances to customers at amortised cost	**21,005**	**4,547**	**10,297**	**3,952**	**39,801**

Bank - 31/12/2018	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Credit impaired Lifetime ECL	POCI Credit impaired Lifetime ECL	Total
Mortgages					
Gross carrying amount	5,831	2,165	3,749	2,776	**14,521**
Less: ECL Allowance for impairment losses	(4)	(65)	(1,003)	(750)	**(1,823)**
Total Mortgages	**5,827**	**2,100**	**2,746**	**2,026**	**12,699**
Consumer, Personal and Other loans					
Gross carrying amount	811	510	1,319	1,219	**3,859**
Less: ECL Allowance for impairment losses	(28)	(81)	(827)	(756)	**(1,691)**
Total Consumer, Personal and Other loans	**783**	**429**	**492**	**463**	**2,167**
Credit Cards					
Gross carrying amount	400	145	256	142	**942**
Less: ECL Allowance for impairment losses	(2)	(6)	(205)	(121)	**(333)**
Total Credit Cards	**398**	**139**	**51**	**21**	**609**
Retail Lending					
Gross carrying amount	7,042	2,820	5,324	4,137	**19,323**
Less: ECL Allowance for impairment losses	(34)	(152)	(2,035)	(1,626)	**(3,847)**
Total Retail Lending	**7,007**	**2,669**	**3,288**	**2,511**	**15,475**
Loans to Large Corporate					
Gross carrying amount	8,022	1,758	4,116	767	**14,663**
Less: ECL Allowance for impairment losses	(147)	(84)	(2,123)	(412)	**(2,766)**
Total Loans to Large Corporate	**7,874**	**1,674**	**1,993**	**355**	**11,897**
Loans to SMEs					
Gross carrying amount	3,663	1,491	9,056	3,409	**17,618**
Less: ECL Allowance for impairment losses	(33)	(112)	(4,132)	(1,890)	**(6,167)**
Total Loans to SMEs	**3,630**	**1,379**	**4,924**	**1,519**	**11,451**
Loans to Public Sector					
Gross carrying amount	1,722	1	11	3	**1,737**
Less: ECL Allowance for impairment losses	(1)	(0)	(3)	(0)	**(4)**
Total Loans to Public Sector	**1,722**	**1**	**7**	**3**	**1,733**
Corporate and Public Sector Lending					
Gross carrying amount	13,407	3,250	13,183	4,179	**34,019**
Less: ECL Allowance for impairment losses	(181)	(196)	(6,259)	(2,302)	**(8,938)**
Total Corporate and Public Sector Lending	**13,226**	**3,054**	**6,924**	**1,878**	**25,082**
Loans and advances to customers					
Gross carrying amount	20,448	6,070	18,506	8,317	**53,342**
Less: ECL Allowance for impairment losses	(215)	(348)	(8,294)	(3,928)	**(12,785)**
Total Loans and advances to customers at amortised cost	**20,233**	**5,723**	**10,213**	**4,389**	**40,557**

4.3.2 Credit quality per segments, industry and asset classes

The tables below provide credit quality per asset classes, inclusive of the value of collateral for the Group's and the Bank's gross carrying amount of loan and advances to customers at amortised cost as at 31 December 2019 and 2018.

	Group					Bank				
31/12/2019	**Strong**	**Recommended**	**Substandard**	**Default**	**Value of collateral**	**Strong**	**Recommended**	**Substandard**	**Default**	**Value of collateral**
Retail Lending	**6,004**	**675**	**3,232**	**8,192**	**13,072**	**6,003**	**668**	**3,232**	**8,190**	**13,064**
Mortgages	4,808	590	2,538	5,978	12,006	4,808	590	2,538	5,977	12,005
Consumer, Personal and Other	808	80	551	1,933	1,054	808	73	551	1,933	1,046
Credit Cards	388	4	143	281	12	387	4	143	281	12
Corporate Lending	**9,259**	**2,453**	**2,408**	**16,171**	**15,377**	**9,206**	**3,503**	**2,242**	**15,802**	**14,155**
Large Corporate	5,740	1,347	901	4,634	5,887	6,030	2,584	996	4,957	5,712
SMEs	3,519	1,105	1,508	11,537	9,490	3,176	918	1,246	10,845	8,443
Public Sector	**1,734**	**5**	**3**	**11**	**1,661**	**1,730**	**5**	**3**	**11**	**1,656**
Greece	1,734	5	3	11	1,661	1,730	5	3	11	1,656
Other countries	-	-	-	-	-	-	-	-	-	-
Total	**16,997**	**3,133**	**5,643**	**24,374**	**30,110**	**16,939**	**4,176**	**5,477**	**24,003**	**28,874**

	Group					Bank				
31/12/2018	**Strong**	**Recommended**	**Substandard**	**Default**	**Value of collateral**	**Strong**	**Recommended**	**Substandard**	**Default**	**Value of collateral**
Retail Lending	**6,251**	**797**	**3,233**	**9,049**	**13,379**	**6,250**	**791**	**3,233**	**9,048**	**13,372**
Mortgages	5,129	703	2,446	6,245	12,248	5,129	702	2,446	6,245	12,248
Consumer, Personal and Other	728	89	642	2,406	1,111	728	83	642	2,406	1,105
Credit Cards	394	6	145	398	20	394	6	145	398	20
Corporate Lending	**7,669**	**2,781**	**3,434**	**18,138**	**14,891**	**7,408**	**4,276**	**3,466**	**17,131**	**13,379**
Large Corporate	4,651	1,837	1,287	5,000	5,002	4,623	3,398	1,835	4,806	4,647
SMEs	3,017	944	2,147	13,137	9,889	2,785	878	1,631	12,325	8,732
Public Sector	**102**	**1,621**	**4**	**12**	**1,624**	**102**	**1,621**	**4**	**11**	**1,623**
Greece	102	1,621	4	12	1,624	102	1,621	4	11	1,623
Other countries	-	-	-	-	-	-	-	-	-	-
Total	**14,022**	**5,199**	**6,671**	**27,199**	**29,894**	**13,760**	**6,688**	**6,703**	**26,190**	**28,374**

The tables below show the Group's and the Bank's ageing analysis of past due and the classification of exposures into stages based on credit risk (staging) per lending category:

Group	Gross loans and advances to customers at amortised cost												
31/12/2019	Current	1-30 days	31-90 days	91-180 days	181-365 days	365+ days	Denounced	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Retail Lending	**8,927**	**1,715**	**760**	**324**	**307**	**625**	**5,445**	**18,103**	**6,679**	**2,819**	**4,985**	**3,619**	**18,103**
Mortgages	7,080	1,461	615	254	217	291	3,997	**13,914**	5,399	2,236	3,679	2,601	**13,914**
Consumer, Personal and Other	1,328	240	136	65	56	334	1,213	**3,372**	888	441	1,119	924	**3,372**
Credit Cards	518	14	8	5	35	0	235	**816**	392	143	187	94	**816**
Corporate Lending	**15,218**	**3,403**	**1,564**	**1,389**	**361**	**474**	**7,882**	**30,291**	**11,560**	**2,179**	**12,825**	**3,727**	**30,291**
Large Corporate	8,499	1,712	749	508	71	67	1,014	**12,621**	7,011	865	4,222	523	**12,621**
SMEs	6,720	1,690	815	880	290	406	6,868	**17,670**	4,549	1,314	8,603	3,204	**17,670**
Public Sector	**1,742**	**5**	**0**	**0**	**0**	**0**	**7**	**1,754**	**1,740**	**1**	**11**	**3**	**1,754**
Greece	1,742	5	0	-	-	0	7	**1,754**	1,740	1	11	3	**1,754**
Other countries	-	-	-	-	-	-	-	**0**	-	-	-	-	**0**
Total	**25,888**	**5,123**	**2,324**	**1,713**	**668**	**1,099**	**13,334**	**50,148**	**19,979**	**4,999**	**17,821**	**7,349**	**50,148**
Value of collateral	**16,799**	**3,127**	**1,576**	**1,044**	**315**	**494**	**6,756**	**30,110**	**13,272**	**3,617**	**9,192**	**4,029**	**30,110**

Group	Gross loans and advances to customers at amortised cost												
31/12/2018	Current	1-30 days	31-90 days	91-180 days	181-365 days	365+ days	Denounced	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Retail Lending	**9,481**	**1,927**	**951**	**508**	**335**	**524**	**5,605**	**19,331**	**7,049**	**2,820**	**5,325**	**4,137**	**19,331**
Mortgages	7,565	1,622	757	297	222	311	3,749	**14,523**	5,831	2,165	3,750	2,776	**14,523**
Consumer, Personal and Other	1,390	290	186	205	75	213	1,506	**3,865**	817	510	1,319	1,219	**3,865**
Credit Cards	527	15	8	6	38	0	349	**943**	400	145	256	142	**943**
Corporate Lending	**16,581**	**3,440**	**1,536**	**763**	**498**	**1,007**	**8,197**	**32,022**	**10,450**	**3,073**	**14,112**	**4,387**	**32,022**
Large Corporate	8,548	1,646	602	333	149	319	1,180	**12,776**	6,489	1,210	4,292	786	**12,776**
SMEs	8,032	1,794	935	430	350	688	7,016	**19,246**	3,961	1,863	9,820	3,601	**19,246**
Public Sector	**1,726**	**5**	**0**	**0**	**0**	**0**	**7**	**1,738**	**1,722**	**1**	**3**	**11**	**1,738**
Greece	1,726	5	0	-	-	0	7	**1,738**	1,722	1	3	11	**1,738**
Other countries	-	-	-	-	-	-	-	**0**	-	-	-	-	**0**
Total	**27,788**	**5,371**	**2,488**	**1,271**	**833**	**1,531**	**13,808**	**53,091**	**19,221**	**5,894**	**19,441**	**8,535**	**53,091**
Value of collateral	**16,797**	**3,160**	**1,666**	**701**	**467**	**832**	**6,270**	**29,894**	**11,877**	**4,183**	**9,544**	**4,291**	**29,894**

Bank	Gross loans and advances to customers at amortised cost												
31/12/2019	Current	1-30 days	31-90 days	91-180 days	181-365 days	365+ days	Denounced	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Retail Lending	**8,919**	**1,715**	**759**	**324**	**307**	**625**	**5,444**	**18,093**	**6,671**	**2,819**	**4,984**	**3,619**	**18,093**
Mortgages	7,080	1,461	615	254	217	291	3,996	**13,914**	5,398	2,236	3,678	2,601	**13,914**
Consumer, Personal and Other	1,321	240	136	65	56	334	1,212	**3,364**	881	441	1,119	924	**3,364**
Credit Cards	518	14	8	5	35	0	235	**816**	392	143	187	94	**816**
Corporate Lending	**16,686**	**3,114**	**1,359**	**1,369**	**283**	**429**	**7,513**	**30,753**	**12,709**	**1,960**	**12,547**	**3,537**	**30,753**
Large Corporate	10,547	1,696	706	501	71	55	990	**14,568**	8,614	885	4,561	507	**14,568**
SMEs	6,139	1,417	652	868	212	374	6,524	**16,186**	4,094	1,075	7,986	3,030	**16,186**
Public Sector	**1,737**	**5**	**0**	**0**	**0**	**0**	**6**	**1,749**	**1,735**	**1**	**11**	**3**	**1,749**
Greece	1,737	5	0	-	-	-	6	**1,749**	1,735	1	11	3	**1,749**
Other countries	-	-	-	-	-	-	-	**0**	-	-	-	-	**0**
Total	**27,342**	**4,834**	**2,118**	**1,694**	**590**	**1,054**	**12,963**	**50,595**	**21,115**	**4,780**	**17,542**	**7,159**	**50,595**
Value of collateral	**16,370**	**2,840**	**1,266**	**990**	**311**	**471**	**6,626**	**28,874**	**12,803**	**3,301**	**8,808**	**3,962**	**28,874**

Bank	Gross loans and advances to customers at amortised cost												
31/12/2018	Current	1-30 days	31-90 days	91-180 days	181-365 days	365+ days	Denounced	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Retail Lending	**9,475**	**1,926**	**951**	**508**	**335**	**524**	**5,603**	**19,323**	**7,042**	**2,820**	**5,324**	**4,137**	**19,323**
Mortgages	7,565	1,621	757	297	222	311	3,748	**14,521**	5,831	2,165	3,749	2,776	**14,521**
Consumer, Personal and Other	1,383	290	186	205	75	213	1,506	**3,859**	811	510	1,319	1,219	**3,859**
Credit Cards	526	15	8	6	38	0	349	**942**	400	145	256	142	**942**
Corporate Lending	**18,037**	**3,227**	**1,239**	**710**	**444**	**938**	**7,689**	**32,282**	**11,684**	**3,249**	**13,172**	**4,176**	**32,282**
Large Corporate	10,578	1,652	539	322	140	300	1,132	**14,663**	8,022	1,758	4,116	767	**14,663**
SMEs	7,459	1,574	700	388	304	637	6,556	**17,618**	3,663	1,491	9,056	3,409	**17,618**
Public Sector	**1,726**	**5**	**0**	**0**	**0**	**0**	**6**	**1,737**	**1,722**	**1**	**11**	**3**	**1,737**
Greece	1,726	5	0	-	-	0	6	**1,737**	1,722	1	11	3	**1,737**
Other countries	-	-	-	-	-	-	-	**0**	-	-	-	-	**0**
Total	**29,237**	**5,158**	**2,191**	**1,218**	**779**	**1,461**	**13,298**	**53,342**	**20,448**	**6,070**	**18,506**	**8,317**	**53,342**
Value of collateral	16,186	2,825	1,370	627	457	791	6,119	**28,374**	11,379	3,840	8,937	4,218	**28,374**

The tables below set out the credit quality per segment, industry and asset classes:

Group 31/12/2019	Gross loans and advances to customers at amortised cost						
	Stage 1	Stage 2	Stage 3		POCI		Total
			Collective	Individual	Collective	Individual	
Retail Lending	**6,679**	**2,819**	**4,560**	**425**	**3,501**	**119**	**18,103**
Corporate and Public Sector Lending	**13,300**	**2,180**	**2,830**	**10,006**	**1,848**	**1,882**	**32,046**
Financial institutions	118	102	8	1,234	10	36	**1,509**
Manufacturing/ Handicraft	1,812	448	434	1,875	288	337	**5,194**
Construction	521	207	340	1,409	192	296	**2,965**
Real Estate Companies	625	101	89	920	37	282	**2,053**
Project Finance	1,518	28	1	92	-	7	**1,645**
Wholesale and retail trade	1,705	308	907	1,415	590	319	**5,245**
Shipping Companies	1,231	59	2	498	0	-	**1,791**
Coastline/ Ferries Companies	95	30	0	128	-	-	**254**
Hotels	1,068	428	211	656	151	96	**2,611**
Agriculture	285	39	151	208	76	27	**786**
Energy	1,011	20	9	55	4	-	**1,099**
Transports & Logistics	177	53	103	562	62	31	**988**
Other industries	1,395	355	574	943	435	450	**4,152**
Public sector	1,740	1	0	11	3	-	**1,754**
Total	**19,979**	**4,999**	**7,390**	**10,431**	**5,348**	**2,000**	**50,148**

Group 31/12/2018	Gross loans and advances to customers at amortised cost						
	Stage 1	Stage 2	Stage 3		POCI		Total
			Collective	Individual	Collective	Individual	
Retail Lending	**7,049**	**2,820**	**4,851**	**475**	**3,989**	**148**	**19,331**
Corporate and Public Sector Lending	**12,172**	**3,074**	**2,915**	**11,208**	**1,945**	**2,445**	**33,760**
Financial institutions	598	63	11	830	10	46	**1,558**
Manufacturing/ Handicraft	1,825	415	456	2,201	306	385	**5,587**
Construction	515	295	348	1,675	191	378	**3,403**
Real Estate Companies	389	219	74	1,048	28	408	**2,166**
Project Finance	1,048	24	2	144	10	9	**1,237**
Wholesale and retail trade	1,547	411	943	1,670	653	373	**5,597**
Shipping Companies	799	312	0	661	1	5	**1,778**
Coastline/ Ferries Companies	30	36	0	34	-	-	**100**
Hotels	848	623	213	839	113	168	**2,804**
Agriculture	273	61	131	207	65	35	**773**
Energy	1,120	102	8	58	4	-	**1,293**
Transports & Logistics	290	99	106	670	67	70	**1,301**
Other industries	1,167	413	620	1,161	496	569	**4,425**
Public sector	1,722	1	1	11	3	0	**1,738**
Total	**19,221**	**5,894**	**7,766**	**11,683**	**5,934**	**2,593**	**53,091**

Group 31/12/2019	ECL allowance for impairments on loans and advances to customers at amortised cost						
	Stage 1	Stage 2	Stage 3		POCI		Total
			Collective	Individual	Collective	Individual	
Retail Lending	**33**	**95**	**1,594**	**205**	**1,284**	**77**	**3,288**
Corporate and Public Sector Lending	**85**	**143**	**1,259**	**4,246**	**877**	**1,089**	**7,699**
Financial institutions	2	1	5	572	5	21	**606**
Manufacturing/ Handicraft	9	22	208	787	141	195	**1,362**
Construction	7	14	159	630	76	141	**1,027**
Real Estate Companies	11	8	16	361	9	138	**544**
Project Finance	2	0	0	54	-	3	**59**
Wholesale and retail trade	10	32	476	700	353	158	**1,729**
Shipping Companies	2	5	0	124	0	-	**132**
Coastline/ Ferries Companies	1	0	-	41	-	-	**43**
Hotels	5	13	31	143	17	15	**224**
Agriculture	2	3	48	78	28	12	**171**
Energy	25	1	4	13	1	-	**45**
Transports & Logistics	1	3	53	177	34	20	**289**
Other industries	7	39	257	562	212	386	**1,463**
Public sector	1	0	0	4	0	-	**5**
Total	**117**	**238**	**2,853**	**4,451**	**2,161**	**1,166**	**10,986**

Group 31/12/2018	ECL allowance for impairments on loans and advances to customers at amortised cost						
	Stage 1	Stage 2	Stage 3		POCI		Total
			Collective	Individual	Collective	Individual	
Retail Lending	**34**	**152**	**1,811**	**225**	**1,539**	**88**	**3,848**
Corporate and Public Sector Lending	**120**	**215**	**1,324**	**5,383**	**977**	**1,466**	**9,485**
Financial institutions	12	5	5	568	5	31	**626**
Manufacturing/ Handicraft	15	27	214	1,070	154	225	**1,704**
Construction	11	24	165	862	81	190	**1,333**
Real Estate Companies	6	19	13	460	11	237	**746**
Project Finance	1	0	1	74	1	-	**77**
Wholesale and retail trade	15	37	507	797	400	205	**1,961**
Shipping Companies	3	31	0	218	0	4	**256**
Coastline/ Ferries Companies	0	0	-	12	-	-	**12**
Hotels	6	12	35	226	17	41	**337**
Agriculture	2	5	44	96	23	19	**189**
Energy	37	16	4	17	2	-	**75**
Transports & Logistics	3	5	55	253	37	57	**409**
Other industries	10	35	279	727	248	457	**1,756**
Public sector	1	0	0	3	0	0	**4**
Total	**154**	**367**	**3,135**	**5,608**	**2,516**	**1,553**	**13,333**

Group 31/12/2019	Loans and advances to customers at amortised cost						
	Stage 1	Stage 2	Stage 3		POCI		Total
			Collective	Individual	Collective	Individual	
Retail Lending	**6,647**	**2,724**	**2,966**	**220**	**2,216**	**41**	**14,815**
Corporate and Public Sector Lending	**13,215**	**2,037**	**1,571**	**5,761**	**970**	**792**	**24,347**
Financial institutions	116	101	3	662	5	15	**902**
Manufacturing/ Handicraft	1,803	426	226	1,088	146	142	**3,832**
Construction	514	192	181	779	117	155	**1,939**
Real Estate Companies	614	92	72	559	28	143	**1,509**
Project Finance	1,516	28	1	38	-	3	**1,586**
Wholesale and retail trade	1,695	276	430	715	238	161	**3,515**
Shipping Companies	1,229	54	2	374	0	-	**1,659**
Coastline/ Ferries Companies	94	30	0	86	-	-	**211**
Hotels	1,063	415	180	513	134	82	**2,387**
Agriculture	283	36	103	130	48	15	**616**
Energy	986	19	5	42	2	-	**1,054**
Transports & Logistics	176	49	50	385	28	11	**699**
Other industries	1,388	316	318	382	223	64	**2,690**
Public sector	1,739	1	0	7	3	-	**1,749**
Total	**19,862**	**4,761**	**4,538**	**5,980**	**3,187**	**834**	**39,162**

Group 31/12/2018	Loans and advances to customers at amortised cost						
	Stage 1	Stage 2	Stage 3		POCI		Total
			Collective	Individual	Collective	Individual	
Retail Lending	**7,014**	**2,669**	**3,040**	**249**	**2,451**	**61**	**15,482**
Corporate and Public Sector Lending	**12,052**	**2,858**	**1,591**	**5,825**	**968**	**979**	**24,275**
Financial institutions	586	58	6	262	5	15	**932**
Manufacturing/ Handicraft	1,810	388	242	1,131	152	160	**3,883**
Construction	505	271	183	813	111	188	**2,070**
Real Estate Companies	384	200	61	588	17	171	**1,421**
Project Finance	1,047	24	1	70	9	9	**1,160**
Wholesale and retail trade	1,532	374	436	873	252	168	**3,636**
Shipping Companies	796	282	0	443	0	0	**1,522**
Coastline/ Ferries Companies	30	36	0	22	-	-	**88**
Hotels	842	611	178	613	96	127	**2,467**
Agriculture	271	56	88	111	42	16	**584**
Energy	1,084	85	4	41	3	-	**1,218**
Transports & Logistics	288	94	51	417	30	13	**892**
Other industries	1,157	378	341	433	248	111	**2,669**
Public sector	1,722	1	0	7	3	0	**1,734**
Total	**19,067**	**5,527**	**4,631**	**6,074**	**3,419**	**1,040**	**39,757**

Bank 31/12/2019	Gross loans and advances to customers at amortised cost						
	Stage 1	Stage 2	Stage 3		POCI		Total
			Collective	Individual	Collective	Individual	
Retail Lending	**6,671**	**2,819**	**4,560**	**423**	**3,501**	**119**	**18,093**
Corporate and Public Sector Lending	**14,444**	**1,961**	**2,494**	**10,064**	**1,767**	**1,773**	**32,502**
Financial institutions	1,750	102	8	1,345	10	36	**3,251**
Manufacturing/ Handicraft	1,696	321	412	1,818	279	321	**4,847**
Construction	451	197	308	1,359	190	291	**2,797**
Real Estate Companies	713	141	25	1,000	30	256	**2,166**
Project Finance	1,543	28	1	112	-	7	**1,690**
Wholesale and retail trade	1,496	272	859	1,280	581	308	**4,797**
Shipping Companies	1,231	59	2	498	0	-	**1,791**
Coastline/ Ferries Companies	95	30	0	128	-	-	**254**
Hotels	1,006	382	106	612	132	87	**2,326**
Agriculture	269	38	145	207	76	27	**762**
Energy	994	14	8	55	4	-	**1,074**
Transports & Logistics	151	42	89	559	54	29	**924**
Other industries	1,314	333	530	1,079	408	410	**4,075**
Public sector	1,735	1	0	10	3	-	**1,749**
Total	**21,115**	**4,780**	**7,054**	**10,488**	**5,268**	**1,891**	**50,595**

Bank 31/12/2018	Gross loans and advances to customers at amortised cost						
	Stage 1	Stage 2	Stage 3		POCI		Total
			Collective	Individual	Collective	Individual	
Retail Lending	**7,042**	**2,820**	**4,851**	**473**	**3,989**	**148**	**19,323**
Corporate and Public Sector Lending	**13,407**	**3,250**	**2,603**	**10,580**	**1,889**	**2,290**	**34,019**
Financial institutions	2,019	488	11	830	10	46	**3,403**
Manufacturing/ Handicraft	1,695	301	434	2,126	297	369	**5,221**
Construction	464	277	317	1,578	189	370	**3,196**
Real Estate Companies	589	188	36	925	28	348	**2,114**
Project Finance	1,071	24	2	144	10	9	**1,261**
Wholesale and retail trade	1,368	350	904	1,470	644	360	**5,094**
Shipping Companies	799	312	0	661	1	5	**1,778**
Coastline/ Ferries Companies	30	36	0	34	-	-	**100**
Hotels	810	521	127	774	103	148	**2,484**
Agriculture	262	60	125	207	65	35	**753**
Energy	1,122	93	7	58	4	-	**1,285**
Transports & Logistics	268	81	91	666	59	67	**1,232**
Other industries	1,189	519	546	1,098	477	532	**4,361**
Public sector	1,722	1	0	10	3	0	**1,737**
Total	**20,448**	**6,070**	**7,453**	**11,053**	**5,879**	**2,438**	**53,342**

Bank 31/12/2019	ECL allowance for impairments on loans and advances to customers at amortised cost						
	Stage 1	Stage 2	Stage 3		POCI		Total
			Collective	Individual	Collective	Individual	
Retail Lending	**32**	**95**	**1,594**	**204**	**1,284**	**77**	**3,286**
Corporate and Public Sector Lending	**77**	**138**	**1,198**	**4,249**	**848**	**998**	**7,508**
Financial institutions	2	1	5	662	5	21	**696**
Manufacturing/ Handicraft	8	21	199	751	138	180	**1,296**
Construction	7	14	152	609	74	136	**993**
Real Estate Companies	6	7	9	420	8	116	**566**
Project Finance	2	0	0	70	-	3	**75**
Wholesale and retail trade	9	31	463	594	346	149	**1,592**
Shipping Companies	2	5	0	124	0	-	**132**
Coastline/ Ferries Companies	1	0	-	41	-	-	**43**
Hotels	5	12	28	126	15	10	**197**
Agriculture	2	3	48	77	28	12	**169**
Energy	25	1	4	13	1	-	**44**
Transports & Logistics	1	3	46	176	27	18	**272**
Other industries	6	38	244	583	205	353	**1,428**
Public sector	1	0	0	3	0	-	**5**
Total	**109**	**233**	**2,793**	**4,452**	**2,132**	**1,075**	**10,794**

Bank 31/12/2018	ECL allowance for impairments on loans and advances to customers at amortised cost						
	Stage 1	Stage 2	Stage 3		POCI		Total
			Collective	Individual	Collective	Individual	
Retail Lending	**34**	**152**	**1,811**	**224**	**1,539**	**88**	**3,847**
Corporate and Public Sector Lending	**181**	**196**	**1,261**	**4,997**	**952**	**1,350**	**8,938**
Financial institutions	15	6	5	568	5	31	**630**
Manufacturing/ Handicraft	14	25	205	1,013	150	209	**1,616**
Construction	10	24	158	805	80	184	**1,261**
Real Estate Companies	5	6	9	392	10	189	**612**
Project Finance	1	0	1	74	1	-	**77**
Wholesale and retail trade	14	33	499	660	394	195	**1,794**
Shipping Companies	3	31	0	218	0	4	**256**
Coastline/ Ferries Companies	0	0	-	12	-	-	**12**
Hotels	6	12	33	203	16	32	**303**
Agriculture	2	5	43	96	23	19	**188**
Energy	37	16	4	16	2	-	**74**
Transports & Logistics	2	5	48	250	30	54	**389**
Other industries	70	35	257	686	242	432	**1,722**
Public sector	1	0	0	3	0	0	**4**
Total	**215**	**348**	**3,072**	**5,222**	**2,491**	**1,437**	**12,785**

Bank 31/12/2019	Loans and advances to customers at amortised cost						
	Stage 1	Stage 2	Stage 3		POCI		Total
			Collective	Individual	Collective	Individual	
Retail Lending	**6,638**	**2,724**	**2,966**	**220**	**2,216**	**41**	**14,807**
Corporate and Public Sector Lending	**14,367**	**1,822**	**1,295**	**5,816**	**919**	**775**	**24,994**
Financial institutions	1,748	101	3	683	5	15	**2,555**
Manufacturing/ Handicraft	1,688	300	213	1,068	141	141	**3,551**
Construction	444	183	156	751	116	155	**1,805**
Real Estate Companies	707	134	17	581	22	140	**1,600**
Project Finance	1,541	28	1	42	-	3	**1,615**
Wholesale and retail trade	1,487	241	396	686	235	159	**3,205**
Shipping Companies	1,229	54	2	374	0	-	**1,659**
Coastline/ Ferries Companies	94	30	0	86	-	-	**211**
Hotels	1,002	369	77	486	118	78	**2,129**
Agriculture	267	35	97	130	48	15	**593**
Energy	969	13	4	42	2	-	**1,030**
Transports & Logistics	150	39	43	383	26	11	**652**
Other industries	1,308	295	287	497	203	57	**2,646**
Public sector	1,734	1	0	7	3	-	**1,744**
Total	**21,005**	**4,547**	**4,261**	**6,035**	**3,136**	**816**	**39,801**

Bank 31/12/2018	Loans and advances to customers at amortised cost						
	Stage 1	Stage 2	Stage 3		POCI		Total
			Collective	Individual	Collective	Individual	
Retail Lending	**7,007**	**2,669**	**3,040**	**249**	**2,451**	**61**	**15,475**
Corporate and Public Sector Lending	**13,226**	**3,054**	**1,341**	**5,583**	**937**	**940**	**25,082**
Financial institutions	2,004	482	6	262	5	15	**2,773**
Manufacturing/ Handicraft	1,681	276	229	1,113	147	159	**3,605**
Construction	454	253	160	773	110	186	**1,935**
Real Estate Companies	583	183	28	532	17	159	**1,502**
Project Finance	1,070	24	1	70	9	9	**1,183**
Wholesale and retail trade	1,353	317	405	809	250	165	**3,300**
Shipping Companies	796	282	0	443	0	0	**1,522**
Coastline/ Ferries Companies	30	36	0	22	-	-	**88**
Hotels	804	509	94	571	88	117	**2,182**
Agriculture	260	55	82	111	42	16	**566**
Energy	1,086	77	4	41	3	-	**1,210**
Transports & Logistics	266	76	43	416	28	13	**843**
Other industries	1,119	484	290	411	235	100	**2,639**
Public sector	1,722	1	0	7	3	0	**1,733**
Total	**20,233**	**5,723**	**4,381**	**5,832**	**3,388**	**1,001**	**40,557**

The tables that follow show the credit quality, per staging, of each lending category, for the Group and the Bank as at 31 December 2019 and 2018.

Mortgages

Group	Mortgages - Internal rating grade				
31/12/2019	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Strong	4,808	-	-	-	**4,808**
Recommended	590	-	-	-	**590**
Substandard	-	2,236	-	302	**2,538**
Default	-	-	3,679	2,299	**5,978**
Total Gross Balance	**5,399**	**2,236**	**3,679**	**2,601**	**13,914**
Strong	2	-	-	-	**2**
Recommended	1	-	-	-	**1**
Substandard	-	35	-	6	**41**
Default	-	-	942	700	**1,643**
Total ECL Allowance	**2**	**35**	**942**	**707**	**1,686**
Total Balance	**5,396**	**2,201**	**2,737**	**1,895**	**12,228**
Value of collateral	5,075	2,004	2,859	2,067	12,006

Group	Mortgages - Internal rating grade				
31/12/2018	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Strong	5,129	-	-	-	**5,129**
Recommended	703	-	-	-	**703**
Substandard	-	2,165	-	280	**2,446**
Default	-	-	3,750	2,496	**6,245**
Total Gross Balance	**5,831**	**2,165**	**3,750**	**2,776**	**14,523**
Strong	3	-	-	-	**3**
Recommended	1	-	-	-	**1**
Substandard	-	65	-	9	**75**
Default	-	-	1,004	740	**1,744**
Total ECL Allowance	**4**	**65**	**1,004**	**750**	**1,824**
Total Balance	**5,827**	**2,100**	**2,746**	**2,026**	**12,699**
Value of collateral	5,323	1,897	2,867	2,161	12,248

Bank	Mortgages - Internal rating grade				
31/12/2019	Stage 1	Stage 2	Stage 3	POCI	Total
Strong	4,808	-	-	-	**4,808**
Recommended	590	-	-	-	**590**
Substandard	-	2,236	-	302	**2,538**
Default	-	-	3,678	2,299	**5,977**
Total Gross Balance	**5,398**	**2,236**	**3,678**	**2,601**	**13,914**
Strong	2	-	-	-	**2**
Recommended	1	-	-	-	**1**
Substandard	-	35	-	6	**41**
Default	-	-	941	700	**1,642**
Total ECL Allowance	**2**	**35**	**941**	**707**	**1,685**
Total Balance	**5,396**	**2,201**	**2,737**	**1,895**	**12,228**
Value of collateral	5,075	2,004	2,859	2,067	12,005

Bank	Mortgages - Internal rating grade				
31/12/2018	Stage 1	Stage 2	Stage 3	POCI	Total
Strong	5,129	-	-	-	**5,129**
Recommended	702	-	-	-	**702**
Substandard	-	2,165	-	280	**2,446**
Default	-	-	3,749	2,496	**6,245**
Total Gross Balance	**5,831**	**2,165**	**3,749**	**2,776**	**14,521**
Strong	3	-	-	-	**3**
Recommended	1	-	-	-	**1**
Substandard	-	65	-	9	**75**
Default	-	-	1,003	740	**1,744**
Total ECL Allowance	**4**	**65**	**1,003**	**750**	**1,823**
Total Balance	**5,827**	**2,100**	**2,746**	**2,026**	**12,699**
Value of collateral	5,323	1,897	2,867	2,161	12,248

Consumer, Personal & Other Lending

Group	Consumer, Personal & Other Lending - Internal rating grade				
31/12/2019	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Strong	808	-	-	-	**808**
Recommended	80	-	-	-	**80**
Substandard	-	441	-	110	**551**
Default	-	-	1,119	814	**1,933**
Total Gross Balance	**888**	**441**	**1,119**	**924**	**3,372**
Strong	25	-	-	-	**25**
Recommended	3	-	-	-	**3**
Substandard	-	53	-	28	**81**
Default	-	-	698	543	**1,241**
Total ECL Allowance	**28**	**53**	**698**	**571**	**1,350**
Total Balance	**860**	**388**	**422**	**353**	**2,022**
Value of collateral	362	167	267	258	**1,054**

Group	Consumer, Personal & Other Lending - Internal rating grade				
31/12/2018	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Strong	728	-	-	-	**728**
Recommended	89	-	-	-	**89**
Substandard	-	510	-	132	**642**
Default	-	-	1,319	1,087	**2,406**
Total Gross Balance	**817**	**510**	**1,319**	**1,219**	**3,865**
Strong	26	-	-	-	**26**
Recommended	3	-	-	-	**3**
Substandard	-	81	-	37	**118**
Default	-	-	827	718	**1,546**
Total ECL Allowance	**28**	**81**	**827**	**756**	**1,692**
Total Balance	**789**	**429**	**492**	**463**	**2,174**
Value of collateral	318	179	302	312	**1,111**

Bank	Consumer, Personal & Other Lending - Internal rating grade				
31/12/2019	Stage 1	Stage 2	Stage 3	POCI	Total
Strong	808	-	-	-	**808**
Recommended	73	-	-	-	**73**
Substandard	-	441	-	110	**551**
Default	-	-	1,119	814	**1,933**
Total Gross Balance	**881**	**441**	**1,119**	**924**	**3,364**
Strong	25	-	-	-	**25**
Recommended	3	-	-	-	**3**
Substandard	-	53	-	28	**81**
Default	-	-	697	543	**1,241**
Total ECL Allowance	**28**	**53**	**697**	**571**	**1,350**
Total Balance	**852**	**388**	**421**	**353**	**2,014**
Value of collateral	354	167	267	258	**1,046**

Bank	Consumer, Personal & Other Lending - Internal rating grade				
31/12/2018	Stage 1	Stage 2	Stage 3	POCI	Total
Strong	728	-	-	-	**728**
Recommended	83	-	-	-	**83**
Substandard	-	510	-	132	**642**
Default	-	-	1,319	1,087	**2,406**
Total Gross Balance	**811**	**510**	**1,319**	**1,219**	**3,859**
Strong	25	-	-	-	**25**
Recommended	3	-	-	-	**3**
Substandard	-	81	-	37	**118**
Default	-	-	827	718	**1,545**
Total ECL Allowance	**28**	**81**	**827**	**756**	**1,691**
Total Balance	**783**	**429**	**492**	**463**	**2,167**
Value of collateral	312	179	302	312	**1,105**

Credit Cards

Group	Credit Cards - Internal rating grade				
31/12/2019	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Strong	388	-	-	-	**388**
Recommended	4	-	-	-	**4**
Substandard	-	143	-	0	**143**
Default	-	-	187	94	**281**
Total Gross Balance	**392**	**143**	**187**	**94**	**816**
Strong	2	-	-	-	**2**
Recommended	0	-	-	-	**0**
Substandard	-	7	-	0	**7**
Default	-	-	159	84	**243**
Total ECL Allowance	**2**	**7**	**159**	**84**	**251**
Total Balance	**391**	**136**	**28**	**10**	**565**
Value of Collateral	0	0	7	5	**12**

Group	Credit Cards - Internal rating grade				
31/12/2018	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Strong	394	-	-	-	**394**
Recommended	6	-	-	-	**6**
Substandard	-	145	-	1	**145**
Default	-	-	256	142	**398**
Total Gross Balance	**400**	**145**	**256**	**142**	**943**
Strong	2	-	-	-	**2**
Recommended	0	-	-	-	**0**
Substandard	-	6	-	0	**6**
Default	-	-	205	121	**326**
Total ECL Allowance	**2**	**6**	**205**	**121**	**333**
Total Balance	**398**	**139**	**51**	**21**	**610**
Value of Collateral	0	0	13	7	**20**

Bank	Credit Cards - Internal rating grade				
31/12/2019	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Strong	387	-	-	-	**387**
Recommended	4	-	-	-	**4**
Substandard	-	143	-	0	**143**
Default	-	-	187	94	**281**
Total Gross Balance	**392**	**143**	**187**	**94**	**816**
Strong	1	-	-	-	**1**
Recommended	0	-	-	-	**0**
Substandard	-	7	-	0	**7**
Default	-	-	159	84	**243**
Total ECL Allowance	**2**	**7**	**159**	**84**	**251**
Total Balance	**390**	**136**	**28**	**10**	**564**
Value of Collateral	0	0	7	5	**12**

Bank	Credit Cards - Internal rating grade				
31/12/2018	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Strong	394	-	-	-	**394**
Recommended	6	-	-	-	**6**
Substandard	-	145	-	1	**145**
Default	-	-	256	142	**398**
Total Gross Balance	**400**	**145**	**256**	**142**	**942**
Strong	2	-	-	-	**2**
Recommended	0	-	-	-	**0**
Substandard	-	6	-	0	**6**
Default	-	-	205	121	**326**
Total ECL Allowance	**2**	**6**	**205**	**121**	**333**
Total Balance	**398**	**139**	**51**	**21**	**609**
Value of collateral	0	0	13	7	**20**

Large Corporate

Group	Large Corporate - Internal rating grade				
31/12/2019	Stage 1	Stage 2	Stage 3	POCI	Total
Strong	5,740	-	-	-	**5,740**
Recommended	1,271	76	-	-	**1,347**
Substandard	-	790	-	111	**901**
Default	-	-	4,222	412	**4,634**
Total Gross Balance	**7,011**	**865**	**4,222**	**523**	**12,621**
Strong	23	-	-	-	**23**
Recommended	29	1	0	-	**30**
Substandard	-	37	-	5	**42**
Default	-	-	1,752	231	**1,983**
Total ECL Allowance	**52**	**38**	**1,752**	**236**	**2,078**
Total Balance	**6,959**	**827**	**2,470**	**286**	**10,543**
Value of collateral	3,466	503	1,628	290	**5,887**

Group	Large Corporate - Internal rating grade				
31/12/2018	Stage 1	Stage 2	Stage 3	POCI	Total
Strong	4,651	-	-	-	**4,651**
Recommended	1,837	-	-	-	**1,837**
Substandard	-	1,210	-	77	**1,287**
Default	-	-	4,292	709	**5,000**
Total Gross Balance	**6,489**	**1,210**	**4,292**	**786**	**12,776**
Strong	36	-	-	-	**36**
Recommended	48	-	-	-	**48**
Substandard	-	85	-	2	**87**
Default	-	-	2,204	419	**2,623**
Total ECL Allowance	**84**	**85**	**2,204**	**421**	**2,794**
Total Balance	**6,405**	**1,125**	**2,088**	**364**	**9,982**
Value of collateral	2,337	810	1,539	316	**5,002**

Bank	Large Corporate - Internal rating grade				
31/12/2019	Stage 1	Stage 2	Stage 3	POCI	Total
Strong	6,030	-	-	-	**6,030**
Recommended	2,584	-	-	-	**2,584**
Substandard	-	885	-	111	**996**
Default	-	-	4,561	396	**4,957**
Total Gross Balance	**8,614**	**885**	**4,561**	**507**	**14,568**
Strong	22	-	-	-	**22**
Recommended	29	-	-	-	**29**
Substandard	-	37	-	5	**42**
Default	-	-	1,999	223	**2,221**
Total ECL Allowance	**51**	**37**	**1,999**	**228**	**2,315**
Total Balance	**8,563**	**848**	**2,563**	**279**	**12,253**
Value of collateral	3,425	410	1,595	281	**5,712**

Bank	Large Corporate - Internal rating grade				
31/12/2018	Stage 1	Stage 2	Stage 3	POCI	Total
Strong	4,623	-	-	-	**4,623**
Recommended	3,398	-	-	-	**3,398**
Substandard	-	1,758	-	77	**1,835**
Default	-	-	4,116	690	**4,806**
Total Gross Balance	**8,022**	**1,758**	**4,116**	**767**	**14,663**
Strong	96	-	-	-	**96**
Recommended	51	-	-	-	**51**
Substandard	-	84	-	2	**86**
Default	-	-	2,123	410	**2,533**
Total ECL Allowance	**147**	**84**	**2,123**	**412**	**2,766**
Total Balance	**7,874**	**1,674**	**1,993**	**355**	**11,897**
Value of collateral	2,107	808	1,425	307	**4,647**

SME

Group	SME - Internal rating grade				
31/12/2019	Stage 1	Stage 2	Stage 3	POCI	Total
Strong	3,519	-	-	-	**3,519**
Recommended	1,030	76	-	-	**1,105**
Substandard	-	1,238	99	171	**1,508**
Default	-	-	8,504	3,033	**11,537**
Total Gross Balance	**4,549**	**1,314**	**8,603**	**3,204**	**17,670**
Strong	18	-	-	-	**18**
Recommended	13	1	-	-	**15**
Substandard	-	104	77	7	**187**
Default	-	-	3,672	1,723	**5,395**
Total ECL Allowance	**32**	**105**	**3,749**	**1,730**	**5,615**
Total Balance	**4,518**	**1,209**	**4,854**	**1,474**	**12,054**
Value of Collateral	2,713	942	4,426	1,409	**9,490**

Group	SME - Internal rating grade				
31/12/2018	Stage 1	Stage 2	Stage 3	POCI	Total
Strong	3,017	-	-	-	**3,017**
Recommended	944	-	-	-	**944**
Substandard	-	1,863	143	141	**2,147**
Default	-	-	9,677	3,460	**13,137**
Total Gross Balance	**3,961**	**1,863**	**9,820**	**3,601**	**19,246**
Strong	20	-	-	-	**20**
Recommended	16	-	-	-	**16**
Substandard	-	130	56	12	**199**
Default	-	-	4,443	2,010	**6,453**
Total ECL Allowance	**36**	**130**	**4,500**	**2,021**	**6,687**
Total Balance	**3,926**	**1,733**	**5,321**	**1,580**	**12,559**
Value of collateral	2,279	1,296	4,818	1,496	**9,889**

Bank	SME - Internal rating grade				
31/12/2019	Stage 1	Stage 2	Stage 3	POCI	Total
Strong	3,176	-	-	-	**3,176**
Recommended	918	-	-	-	**918**
Substandard	-	1,075	-	171	**1,246**
Default	-	-	7,986	2,859	**10,845**
Total Gross Balance	**4,094**	**1,075**	**7,986**	**3,030**	**16,186**
Strong	12	-	-	-	**12**
Recommended	13	-	-	-	**13**
Substandard	-	101	-	7	**108**
Default	-	-	3,445	1,611	**5,056**
Total ECL Allowance	**25**	**101**	**3,445**	**1,618**	**5,188**
Total Balance	**4,070**	**974**	**4,541**	**1,412**	**10,997**
Value of collateral	2,297	720	4,076	1,351	**8,443**

Bank	SME - Internal rating grade				
31/12/2018	Stage 1	Stage 2	Stage 3	POCI	Total
Strong	2,785	-	-	-	**2,785**
Recommended	878	-	-	-	**878**
Substandard	-	1,491	-	140	**1,631**
Default	-	-	9,056	3,269	**12,325**
Total Gross Balance	**3,663**	**1,491**	**9,056**	**3,409**	**17,618**
Strong	18	-	-	-	**18**
Recommended	15	-	-	-	**15**
Substandard	-	112	-	10	**123**
Default	-	-	4,132	1,879	**6,012**
Total ECL Allowance	**33**	**112**	**4,132**	**1,890**	**6,167**
Total Balance	**3,630**	**1,379**	**4,924**	**1,519**	**11,451**
Value of collateral	2,018	956	4,327	1,432	**8,732**

Public Sector

Group	Public Sector - Internal rating grade				
31/12/2019	Stage 1	Stage 2	Stage 3	POCI	Total
Strong	1,734	-	-	-	**1,734**
Recommended	5	-	-	-	**5**
Substandard	-	1	-	3	**3**
Default	-	-	11	0	**11**
Total Gross Balance	**1,740**	**1**	**11**	**3**	**1,754**
Strong	1	-	-	-	**1**
Recommended	0	-	-	-	**0**
Substandard	-	0	-	0	**0**
Default	-	-	4	0	**4**
Total ECL Allowance	**1**	**0**	**4**	**0**	**5**
Total Balance	**1,739**	**1**	**7**	**3**	**1,749**
Value of collateral	1,657	0	4	0	**1,661**

Bank	Public Sector - Internal rating grade				
31/12/2019	Stage 1	Stage 2	Stage 3	POCI	Total
Strong	1,730	-	-	-	**1,730**
Recommended	5	-	-	-	**5**
Substandard	-	1	-	3	**3**
Default	-	-	11	0	**11**
Total Gross Balance	**1,735**	**1**	**11**	**3**	**1,749**
Strong	1	-	-	-	**1**
Recommended	0	-	-	-	**0**
Substandard	-	0	-	0	**0**
Default	-	-	4	0	**4**
Total ECL Allowance	**1**	**0**	**4**	**0**	**5**
Total Balance	**1,734**	**1**	**7**	**3**	**1,744**
Vaue of collateral	1,652	0	4	0	**1,656**

Group & Bank	Public Sector - Internal rating grade				
31/12/2018	Stage 1	Stage 2	Stage 3	POCI	Total
Strong	102	-	-	-	**102**
Recommended	1,621	-	-	-	**1,621**
Substandard	-	1	-	3	**4**
Default	-	-	11	1	**12**
Total Gross Balance	**1,722**	**1**	**11**	**3**	**1,738**
Strong	1	-	-	-	**1**
Recommended	0	-	-	-	**0**
Substandard	-	0	-	0	**0**
Default	-	-	4	0	**4**
Total ECL Allowance	**1**	**0**	**4**	**0**	**4**
Total Balance	**1,722**	**1**	**8**	**3**	**1,734**
Value of collateral	1,619	1	4	0	**1,624**

As at 31 December 2019 and 2018 the Group and the Bank have not granted any Public Sector Lending outside Greece.

An analysis of changes in the gross carrying amount and the corresponding ECL allowance for impairment losses in relation to the Group's Retail Lending portfolio is as follows:

Group	Retail Lending - Movement in gross carrying amounts				
	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount as at 1/1/2019	**7,049**	**2,820**	**5,324**	**4,137**	**19,331**
Transfer (to)/ from Held for Sale	-	(0)	(168)	(229)	**(398)**
New assets originated or purchased	395	80	0	-	**475**
Other debits to the Gross Balance / Repayments	(949)	(197)	(112)	(314)	**(1,572)**
Assets sold	(0)	-	-	-	**(0)**
Assets derecognised (excluding write offs)	(0)	(0)	(1)	(0)	**(2)**
Transferred from Stage 1 to Stage 2	(541)	541			**0**
Transferred from Stage 1 to Stage 3	(114)		114		**0**
Transferred from Stage 2 to Stage 1	640	(640)			**0**
Transferred from Stage 2 to Stage 3		(459)	459		**0**
Transferred from Stage 3 to Stage 1	15		(15)		**0**
Transferred from Stage 3 to Stage 2		601	(601)		**0**
Change in the present value of the allowance	171	78	201	185	**635**
Write-off of interest recognised from change in the present value of the allowance	(0)	(2)	(98)	(89)	**(188)**
Write-offs	(1)	(3)	(106)	(77)	**(187)**
FX differences and other movements	15	(1)	(11)	6	**9**
Gross carrying amount as at 31/12/2019	**6,679**	**2,819**	**4,985**	**3,619**	**18,103**

Group	Retail Lending - Movement in ECL allowance				
	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance as at 1/1/2019	**34**	**152**	**2,036**	**1,626**	**3,848**
Transfer (to)/ from Held for Sale	-	(0)	(117)	(166)	**(283)**
Transferred from Stage 1 to Stage 2	(7)	7			**0**
Transferred from Stage 1 to Stage 3	(1)		1		**0**
Transferred from Stage 2 to Stage 1	43	(43)			**0**
Transferred from Stage 2 to Stage 3		(54)	54		**0**
Transferred from Stage 3 to Stage 1	0		(0)		**0**
Transferred from Stage 3 to Stage 2		136	(136)		**(0)**
ECL impairment charge/ (release) for the year (P&L)	(20)	(54)	262	71	**261**
ECL impairment charge for new financial assets originated or purchased (P&L)	0	0	0	-	**0**
Recoveries of amounts previously written-off (P&L)	-	-	(0)	-	**(0)**
Change in the present value of the allowance	0	1	94	88	**184**
Write-off of interest recognised from change in the present value of the allowance	(0)	(2)	(98)	(89)	**(188)**
Write-offs	(1)	(3)	(106)	(77)	**(187)**
Financial assets derecognised	-	(0)	(0)	(0)	**(0)**
FX differences and other movements	(16)	(46)	(192)	(93)	**(347)**
ECL allowance as at 31/12/2019	**33**	**95**	**1,799**	**1,361**	**3,288**

An analysis of changes in the gross carrying amount and the corresponding ECL allowance for impairment losses in relation to the Bank's Retail Lending portfolio is as follows:

Bank	Retail Lending - Movement in gross carrying amounts				
	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount as at 1/1/2019	**7,042**	**2,820**	**5,323**	**4,137**	**19,323**
Transfer (to)/ from Held for Sale	-	(0)	(168)	(229)	**(398)**
New assets originated or purchased	394	80	0	-	**474**
Other debits to the Gross Balance / Repayments	(948)	(197)	(112)	(314)	**(1,571)**
Assets derecognised (excluding write offs)	(0)	(0)	(1)	(0)	**(2)**
Transferred from Stage 1 to Stage 2	(541)	541			**0**
Transferred from Stage 1 to Stage 3	(114)		114		**0**
Transferred from Stage 2 to Stage 1	640	(640)			**0**
Transferred from Stage 2 to Stage 3		(459)	459		**0**
Transferred from Stage 3 to Stage 1	15		(15)		**0**
Transferred from Stage 3 to Stage 2		601	(601)		**0**
Change in the present value of the allowance	171	78	200	185	**634**
Write-off of interest recognised from change in the present value of the allowance	(0)	(2)	(98)	(89)	**(188)**
Write-offs	(1)	(3)	(106)	(77)	**(186)**
FX differences and other movements	13	(1)	(11)	6	**7**
Gross carrying amount as at 31/12/2019	**6,671**	**2,819**	**4,984**	**3,619**	**18,093**

Bank	Retail Lending -Movement in ECL allowance				
	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance as at 1/1/2019	**34**	**152**	**2,035**	**1,626**	**3,847**
Transfer (to)/ from Held for Sale	-	(0)	(117)	(166)	**(283)**
Transferred from Stage 1 to Stage 2	(7)	7			**0**
Transferred from Stage 1 to Stage 3	(1)		1		**0**
Transferred from Stage 2 to Stage 1	42	(42)			**0**
Transferred from Stage 2 to Stage 3		(54)	54		**0**
Transferred from Stage 3 to Stage 1	0		(0)		**0**
Transferred from Stage 3 to Stage 2		136	(136)		**0**
ECL impairment charge/ (release) for the year (P&L)	(19)	(54)	262	71	**260**
Change in the present value of the allowance	0	1	94	88	**184**
Write-off of interest recognised from change in the present value of the allowance	(0)	(2)	(98)	(89)	**(188)**
Write-offs	(1)	(3)	(106)	(77)	**(186)**
Financial assets derecognised	-	(0)	(0)	(0)	**(0)**
FX differences and other movements	(16)	(46)	(193)	(93)	**(347)**
ECL allowance as at 31/12/2019	**32**	**95**	**1,798**	**1,361**	**3,286**

An analysis of changes in the gross carrying amount and the corresponding ECL allowance for impairment losses in relation to the Group's Retail Lending portfolio is as follows:

Group	Retail Lending - Movement in gross carrying amounts				
	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount as at 1/1/2018	**7,874**	**3,505**	**4,540**	**4,746**	**20,665**
Transfer to Discontinued Operations	(176)	(26)	(27)	-	**(230)**
New assets originated or purchased	230	70	2	0	**303**
Other debits to the Gross Balance / Repayments	(726)	(113)	250	(353)	**(942)**
Assets sold	-	-	(110)	(266)	**(376)**
Assets derecognised (excluding write offs)	(0)	(0)	(3)	(2)	**(5)**
Transferred from Stage 1 to Stage 2	(706)	706	-	-	**0**
Transferred from Stage 1 to Stage 3	(143)	-	143	-	**0**
Transferred from Stage 2 to Stage 1	684	(684)	-	-	**0**
Transferred from Stage 2 to Stage 3	-	(1,044)	1,044	-	**0**
Transferred from Stage 3 to Stage 1	3	-	(3)	-	**0**
Transferred from Stage 3 to Stage 2	-	370	(370)	-	**0**
Change in the present value of the allowance	2	13	173	194	**383**
Write-off of interest recognised from change in the present value of the allowance	(0)	(2)	(119)	(93)	**(214)**
Write-offs	(0)	(3)	(210)	(96)	**(310)**
FX differences and other movements	8	28	14	8	**57**
Gross carrying amount as at 31/12/2018	**7,049**	**2,820**	**5,324**	**4,137**	**19,331**

Group	Retail Lending - Movement in ECL allowance				
	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance as at 1/1/2018	**35**	**475**	**1,960**	**2,063**	**4,534**
Transfer to Discontinued Operations	(0)	(1)	(10)	-	**(12)**
Transferred from Stage 1 to Stage 2	(20)	20			**0**
Transferred from Stage 1 to Stage 3	(20)		20		**0**
Transferred from Stage 2 to Stage 1	11	(11)			**0**
Transferred from Stage 2 to Stage 3		(302)	302		**0**
Transferred from Stage 3 to Stage 1	0		(0)		**0**
Transferred from Stage 3 to Stage 2		25	(25)		**0**
ECL impairment charge/ (release) for the year (P&L)	28	(67)	91	(101)	**(49)**
ECL impairment charge for new financial assets originated or purchased (P&L)	1	1	0	0	**2**
Recoveries of amounts previously written-off (P&L)	-	-	(8)	-	**(8)**
Change in the present value of the allowance	0	2	119	95	**216**
Write-off of interest recognised from change in the present value of the allowance	(0)	(2)	(119)	(93)	**(214)**
Write-offs	(0)	(3)	(210)	(96)	**(310)**
Disposals of loans and advances	-	-	(98)	(242)	**(341)**
FX differences and other movements	1	14	14	2	**30**
ECL allowance as at 31/12/2018	**34**	**152**	**2,036**	**1,626**	**3,848**

An analysis of changes in the gross carrying amount and the corresponding ECL allowance for impairment losses in relation to the Bank's Retail Lending portfolio is as follows:

Bank	Retail Lending - Movement in gross carrying amounts				
	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount as at 1/1/2018	**7,690**	**3,478**	**4,509**	**4,746**	**20,423**
New assets originated or purchased	230	70	2	0	**303**
Other debits to the Gross Balance / Repayments	(725)	(113)	250	(353)	**(941)**
Assets sold	-	-	(110)	(266)	**(376)**
Assets derecognised (excluding write offs)	(0)	(0)	(3)	(2)	**(5)**
Transferred from Stage 1 to Stage 2	(706)	706	-	-	**0**
Transferred from Stage 1 to Stage 3	(143)	-	143	-	**0**
Transferred from Stage 2 to Stage 1	684	(684)	-	-	**0**
Transferred from Stage 2 to Stage 3	-	(1,044)	1,044	-	**0**
Transferred from Stage 3 to Stage 1	3	-	(3)	-	**0**
Transferred from Stage 3 to Stage 2	-	370	(370)	-	**0**
Change in the present value of the allowance	2	13	173	194	**382**
Write-off of interest recognised from change in the present value of the allowance	(0)	(2)	(119)	(93)	**(214)**
Write-offs	(0)	(3)	(208)	(96)	**(307)**
FX differences and other movements	8	28	14	8	**57**
Gross carrying amount as at 31/12/2018	**7,042**	**2,820**	**5,323**	**4,137**	**19,323**

Bank	Retail Lending -Movement in ECL allowance				
	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance as at 1/1/2018	**34**	**474**	**1,947**	**2,063**	**4,518**
Transferred from Stage 1 to Stage 2	(20)	20			**0**
Transferred from Stage 1 to Stage 3	(20)		20		**0**
Transferred from Stage 2 to Stage 1	11	(11)			**0**
Transferred from Stage 2 to Stage 3		(297)	297		**0**
Transferred from Stage 3 to Stage 1	0		(0)		**0**
Transferred from Stage 3 to Stage 2		26	(26)		**0**
ECL impairment charge/ (release) for the year (P&L)	27	(67)	91	(101)	**(48)**
ECL impairment charge for new financial assets originated or purchased (P&L)	1	1	0	0	**2**
Recoveries of amounts previously written-off (P&L)	-	-	(8)	-	**(8)**
Change in the present value of the allowance	0	2	119	95	**216**
Write-off of interest recognised from change in the present value of the allowance	(0)	(2)	(119)	(93)	**(214)**
Write-offs	(0)	(3)	(208)	(96)	**(307)**
Disposals of loans and advances	-	-	(98)	(242)	**(341)**
FX differences and other movements	0	8	20	2	**30**
ECL allowance as at 31/12/2018	**34**	**152**	**2,035**	**1,626**	**3,847**

An analysis of changes in the gross carrying amount and the corresponding ECL allowance for impairment losses in relation to the Group's Corporate and Public sector Lending portfolio is as follows:

Group	Corporate and Public Lending - Movement in gross carrying amounts				
	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount as at 1/1/2019	**12,172**	**3,074**	**14,123**	**4,390**	**33,760**
Transfer (to)/ from Held for Sale	(1)	-	(347)	(199)	**(547)**
New assets originated or purchased	3,370	167	7	-	**3,544**
Other debits to the Gross Balance / Repayments	(3,167)	(312)	(112)	(273)	**(3,865)**
Assets sold	(126)	(30)	(80)	-	**(237)**
Assets derecognised (excluding write offs)	-	-	(0)	-	**(0)**
Transferred from Stage 1 to Stage 2	(553)	553			**0**
Transferred from Stage 1 to Stage 3	(580)		580		**0**
Transferred from Stage 2 to Stage 1	1,589	(1,589)			**0**
Transferred from Stage 2 to Stage 3		(321)	321		**0**
Transferred from Stage 3 to Stage 1	86		(86)		**0**
Transferred from Stage 3 to Stage 2		557	(557)		**0**
Debt for equity exchange	-	-	(19)	(2)	**(20)**
Change in the present value of the allowance	487	91	621	252	**1,450**
Write-off of interest recognised from change in the present value of the allowance	(0)	(2)	(443)	(181)	**(626)**
Write-offs	(1)	(11)	(1,136)	(260)	**(1,408)**
FX differences and other movements	23	4	(34)	2	**(4)**
Gross carrying amount as at 31/12/2019	**13,300**	**2,180**	**12,836**	**3,730**	**32,046**

Group	Corporate and Public Lending - Movement in ECL allowance				
	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance as at 1/1/2019	**120**	**215**	**6,707**	**2,443**	**9,485**
Transfer (to)/ from Held for Sale	-	(0)	(277)	(171)	**(448)**
Transferred from Stage 1 to Stage 2	(17)	17			**0**
Transferred from Stage 1 to Stage 3	(3)		3		**0**
Transferred from Stage 2 to Stage 1	103	(103)			**0**
Transferred from Stage 2 to Stage 3		(40)	40		**0**
Transferred from Stage 3 to Stage 1	3		(3)		**0**
Transferred from Stage 3 to Stage 2		170	(170)		**0**
ECL impairment charge/ (release) for the year (P&L)	(85)	(74)	627	(16)	**452**
ECL impairment charge for new financial assets originated or purchased (P&L)	0	0	-	-	**0**
Recoveries of amounts previously written-off (P&L)	-	-	(3)	-	**(3)**
Change in the present value of the allowance	0	1	293	148	**442**
Write-off of interest recognised from change in the present value of the allowance	(0)	(2)	(443)	(181)	**(626)**
Write-offs	(0)	(11)	(1,136)	(260)	**(1,408)**
Financial assets derecognised	-	-	0	-	**0**
Disposals of loans and advances	-	(2)	(13)	-	**(14)**
Debt for equity exchange	-	-	(10)	(1)	**(11)**
FX differences and other movements	(37)	(29)	(110)	5	**(171)**
ECL allowance as at 31/12/2019	**85**	**143**	**5,504**	**1,967**	**7,699**

An analysis of changes in the gross carrying amount and the corresponding ECL allowance for impairment losses in relation to the Bank's Corporate and Public sector Lending portfolio is as follows:

Bank	Corporate and Public Lending - Movement in gross carrying amounts				
	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount as at 1/1/2019	**13,407**	**3,250**	**13,183**	**4,179**	**34,019**
Transfer (to)/ from Held for Sale	(1)	-	(269)	(199)	**(469)**
New assets originated or purchased	3,521	135	4	-	**3,660**
Other debits to the Gross Balance / Repayments	(2,999)	(581)	(49)	(269)	**(3,899)**
Assets sold	(126)	(30)	(80)	-	**(236)**
Assets derecognised (excluding write offs)	-	-	(0)	-	**(0)**
Transferred from Stage 1 to Stage 2	(535)	535			**0**
Transferred from Stage 1 to Stage 3	(846)		846		**0**
Transferred from Stage 2 to Stage 1	1,442	(1,442)			**0**
Transferred from Stage 2 to Stage 3		(485)	485		**0**
Transferred from Stage 3 to Stage 1	76		(76)		**0**
Transferred from Stage 3 to Stage 2		496	(496)		**0**
Debt for equity exchange	-	-	(19)	(2)	**(20)**
Change in the present value of the allowance	487	91	605	244	**1,427**
Write-off of interest recognised from change in the present value of the allowance	(0)	(2)	(428)	(173)	**(603)**
Write-offs	(1)	(11)	(1,114)	(243)	**(1,369)**
FX differences and other movements	19	5	(34)	2	**(9)**
Gross carrying amount as at 31/12/2019	**14,444**	**1,961**	**12,558**	**3,540**	**32,502**

Bank	Corporate and Public Lending - Movement in ECL allowance				
	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance as at 1/1/2019	**181**	**196**	**6,259**	**2,302**	**8,938**
Transfer (to)/ from Held for Sale	-	(0)	(203)	(171)	**(374)**
Transferred from Stage 1 to Stage 2	(17)	17			**0**
Transferred from Stage 1 to Stage 3	(3)		3		**0**
Transferred from Stage 2 to Stage 1	100	(100)			**0**
Transferred from Stage 2 to Stage 3		(29)	29		**0**
Transferred from Stage 3 to Stage 1	1		(1)		**0**
Transferred from Stage 3 to Stage 2		161	(161)		**0**
ECL impairment charge/ (release) for the year (P&L)	(147)	(61)	915	(14)	**693**
Recoveries of amounts previously written-off (P&L)	-	-	(2)	-	**(2)**
Change in the present value of the allowance	0	1	283	141	**425**
Write-off of interest recognised from change in the present value of the allowance	(0)	(2)	(428)	(173)	**(603)**
Write-offs	(0)	(11)	(1,114)	(243)	**(1,369)**
Financial assets derecognised	-	-	(0)	-	**(0)**
Disposals of loans and advances	-	(2)	(13)	-	**(14)**
Debt for equity exchange	-	-	(10)	(1)	**(11)**
FX differences and other movements	(37)	(31)	(110)	5	**(174)**
ECL allowance as at 31/12/2019	**77**	**138**	**5,447**	**1,846**	**7,508**

An analysis of changes in the gross carrying amount and the corresponding ECL allowance for impairment losses in relation to the Group's Corporate and Public sector Lending portfolio is as follows:

Group	Corporate and Public Lending - Movement in gross carrying amounts				
	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount as at 1/1/2018	**12,873**	**3,416**	**16,989**	**6,038**	**39,316**
Transfer to Discontinued Operations	(330)	(151)	(262)	-	**(743)**
Transfer (to)/ from Held for Sale	-	(44)	(551)	(50)	**(645)**
New assets originated or purchased	4,618	166	61	(2)	**4,844**
Other debits to the Gross Balance / Repayments	(4,784)	(351)	108	(913)	**(5,941)**
Assets sold	-	-	(919)	(450)	**(1,369)**
Assets derecognised (excluding write offs)	(85)	(15)	(19)	(4)	**(123)**
Transferred from Stage 1 to Stage 2	(968)	968	-	-	**0**
Transferred from Stage 1 to Stage 3	(205)	-	205	-	**0**
Transferred from Stage 2 to Stage 1	951	(951)	-	-	**0**
Transferred from Stage 2 to Stage 3	-	(619)	619	-	**0**
Transferred from Stage 3 to Stage 1	20	-	(20)	-	**0**
Transferred from Stage 3 to Stage 2	-	633	(633)	-	**0**
Debt for equity exchange	-	-	(20)	(9)	**(30)**
Change in the present value of the allowance	7	21	639	287	**954**
Write-off of interest recognised from change in the present value of the allowance	(0)	(7)	(529)	(179)	**(714)**
Write-offs	(0)	(1)	(1,725)	(353)	**(2,079)**
FX differences and other movements	77	8	181	26	**291**
Gross carrying amount as at 31/12/2018	**12,172**	**3,074**	**14,123**	**4,390**	**33,760**

Group	Corporate and Public Lending - Movement in ECL allowance				
	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance as at 1/1/2018	**122**	**314**	**8,825**	**3,307**	**12,569**
Transfer to Discontinued Operations	(2)	(1)	(69)	-	**(72)**
Transfer (to)/ from Held for Sale	-	(9)	(313)	(27)	**(349)**
Transferred from Stage 1 to Stage 2	(27)	27			**0**
Transferred from Stage 1 to Stage 3	(29)		29		**0**
Transferred from Stage 2 to Stage 1	16	(16)			**0**
Transferred from Stage 2 to Stage 3		(86)	86		**0**
Transferred from Stage 3 to Stage 1	2		(2)		**0**
Transferred from Stage 3 to Stage 2		79	(79)		**0**
ECL impairment charge/ (release) for the year (P&L)	33	(102)	784	(167)	**548**
ECL impairment charge for new financial assets originated or purchased (P&L)	26	13	1	-	**40**
Recoveries of amounts previously written-off (P&L)	-	-	(3)	-	**(3)**
Charge for new financial assets from derecognitions (P&L)	0	-	-	-	**0**
Change in the present value of the allowance	0	3	358	144	**505**
Write-off of interest recognised from change in the present value of the allowance	(0)	(7)	(529)	(179)	**(714)**
Write-offs	(0)	(1)	(1,725)	(353)	**(2,079)**
Disposals of loans and advances	-	-	(711)	(289)	**(1,000)**
Debt for equity exchange	-	-	(13)	(8)	**(21)**
FX differences and other movements	(21)	2	66	15	**61**
ECL allowance as at 31/12/2018	**120**	**215**	**6,707**	**2,443**	**9,485**

An analysis of changes in the gross carrying amount and the corresponding ECL allowance for impairment losses in relation to the Bank's Corporate and Public sector Lending portfolio is as follows:

Bank	Corporate and Public Lending - Movement in gross carrying amounts				
	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount as at 1/1/2018	**13,637**	**3,637**	**15,928**	**5,801**	**39,003**
Transfer (to)/ from Held for Sale	-	(44)	(551)	(50)	**(645)**
New assets originated or purchased	4,473	212	14	-	**4,699**
Other debits to the Gross Balance / Repayments	(4,905)	(418)	134	(895)	**(6,084)**
Assets sold	-	-	(918)	(450)	**(1,367)**
Assets derecognised (excluding write offs)	-	-	(0)	(2)	**(2)**
Transferred from Stage 1 to Stage 2	(1,244)	1,244	-	-	**0**
Transferred from Stage 1 to Stage 3	(192)	-	192	-	**0**
Transferred from Stage 2 to Stage 1	1,478	(1,478)	-	-	**0**
Transferred from Stage 2 to Stage 3	-	(526)	526	-	**0**
Transferred from Stage 3 to Stage 1	77	-	(77)	-	**0**
Transferred from Stage 3 to Stage 2	-	601	(601)	-	**0**
Debt for equity exchange	-	-	(20)	(9)	**(30)**
Change in the present value of the allowance	7	21	639	287	**954**
Write-off of interest recognised from change in the present value of the allowance	(0)	(7)	(515)	(177)	**(699)**
Write-offs	(0)	(1)	(1,676)	(348)	**(2,026)**
FX differences and other movements	76	9	107	23	**216**
Gross carrying amount as at 31/12/2018	**13,407**	**3,250**	**13,183**	**4,179**	**34,019**

Bank	Corporate and Public Lending - Movement in ECL allowance				
	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance as at 1/1/2018	**114**	**286**	**8,250**	**3,148**	**11,797**
Transfer (to)/ from Held for Sale	-	(9)	(313)	(27)	**(349)**
Transferred from Stage 1 to Stage 2	(26)	26			**0**
Transferred from Stage 1 to Stage 3	(22)		22		**0**
Transferred from Stage 2 to Stage 1	11	(11)			**0**
Transferred from Stage 2 to Stage 3		(80)	80		**0**
Transferred from Stage 3 to Stage 1	1		(1)		**0**
Transferred from Stage 3 to Stage 2		51	(51)		**0**
ECL impairment charge/ (release) for the year (P&L)	39	(76)	781	(155)	**589**
ECL impairment charge for new financial assets originated or purchased (P&L)	26	13	1	-	**40**
Recoveries of amounts previously written-off (P&L)	-	-	(3)	-	**(3)**
Change in the present value of the allowance	0	3	352	144	**499**
Write-off of interest recognised from change in the present value of the allowance	(0)	(7)	(515)	(177)	**(699)**
Write-offs	(0)	(1)	(1,676)	(348)	**(2,026)**
Disposals of loans and advances	-	-	(711)	(289)	**(1,000)**
Debt for equity exchange	-	-	(13)	(8)	**(21)**
FX differences and other movements	39	1	55	15	**109**
ECL allowance as at 31/12/2018	**181**	**196**	**6,259**	**2,302**	**8,938**

During 2019, the Bank revised its estimates regarding the criteria applied for classification of intragroup lending exposures within Stage 3 and the underlying assumptions used as inputs in their individual ECL measurement model. For the exposures assessed as credit impaired, Management determined the ECL allowance by applying a haircut, which is directly related to the respective subsidiary's financial condition and outlook, as represented by its net assets. Following this change, the Bank's ECL impairment losses on loans and advances to customers at amortised cost for the year ended 31 December 2019 and the ECL allowance as of 31 December 2019, increased by € 220 million. There is no impact for the Group from this change in accounting estimate, as the intragroup balances and transactions are eliminated upon consolidation.The gross modification loss recognized by the Group and the Bank during 2019 was € 276 million and € 274 million, respectively. The said loss represents the changes in the gross carrying amount (i.e. before impairment allowance) of the loans from immediately before, to immediately after modification. The impact of modification on the ECL allowances associated with these loans was a release of ECL allowances of € 221 million and € 220 million for the Group and the Bank, respectively. The net impact on the income statement for the year ended 31 December 2019 was, therefore, € 55 million and € 54 million, respectively. The gross carrying amount (before modification) of the loans whose cash flows were modified during 2019 amounted to € 2,531 million and € 2,612 million for the Group and the Bank, respectively. The gross carrying amount as at 31 December 2019 of loans and advances to customers at amortised cost that have been modified since initial recognition at a time when their ECL allowance was measured at an amount equal to lifetime ECL and for which their respective ECL allowance as of 31 December 2019 is measured at an amount equal to 12-month ECL is € 704 million.

4.3.3 Collateral and other credit enhancements

Along with the evaluation of the creditworthiness of counterparties, the Group and the Bank estimate the recovery rate against exposures, when limits are set or reviewed. This estimation is based on the type of debt claim and the existence of any connected collaterals and/or guarantees.

According to standard practice, when a borrower's credit rating is low, then even stronger collaterals/ guarantees are requested, in order to secure a higher recovery rate to account for the borrowers default probability.

The Group and the Bank have defined categories of acceptable collateral and have incorporated them in their credit policy. The Group and the Bank regard collaterals as liquid assets, which are pledged to secure timely repayment of their debt claims, with limited liquidation potential. Main types of acceptable collateral are the following:

- Pledged deposits and cheques,
- Mortgages on real estate property,
- Ship mortgages,
- Greek government guarantees,
- Bank letters of guarantee,
- Guarantees by the Credit Guarantee Fund for Small and Very Small Enterprises (TEMPME),
- Pledged financial instruments such as mutual fund shares, stocks, bonds, bills and receivables.

The collateral/ security associated with a credit is initially evaluated during the credit approval process, based on their current or fair value and is re-evaluated at regular intervals. Collaterals or guarantees are not usually received against exposures to financial institutions.

Market value assessment of properties, which may secure any type of credit facilities towards individuals or legal entities, is performed in house or by external certified independent valuers. The valuations are categorized into Individual valuations on a specific property either on-site or desktop and indexed valuations performed with statistical methodology (e.g. Propindex, BoG Indexes etc.) or any other automated processes.

The Group and the Bank accept the following key valuation methodologies provided by International Valuation Standards (IVS):

a) Market approach or comparative method
b) Income approach
c) Cost Approach

The initial valuations of mortgaged properties are always performed on-site (physical inspection).

The Group and the Bank update the valuations (either with individual valuations or statistical methods) for the collateral of all exposures (irrespective of their classification as PE / NPE) at least annually.

Furthermore, the revaluation of the immovable properties is updated on an individual basis at the time the exposure is classified as non-performing (NPE) and at least annually (either through individual evaluations or statistical methods) while it continues to be classified as such.

The Group and the Bank are constantly monitoring the market conditions in the Greek real estate market either internally through macroeconomic reports of the Group's Chief Economist, or externally through reports produced by Piraeus Real Estate and other prestigious international independent valuation firms. Changes in market conditions are considered as an important factor determining the market value of a real estate property. More volatile real estate market conditions may lead to a higher evaluation frequency.

The Group and the Bank may also obtain guarantees from parent companies for loans and advances to their subsidiaries.

Group	Fair value of collateral and credit enhancements held under the base scenario				
31/12/2019	Type of collateral or credit enhancement				
	Real estate collateral	Financial collateral	Other collateral	Total value of collateral	Guarantees received
Reverse repurchase agreements	-	12	-	12	-
Loans and advances to customers at amortised cost	25,023	887	4,200	30,110	6,468
Mortgages	11,857	48	102	12,006	-
Consumer, Personal and Other	871	54	129	1,054	0
Credit Cards	12	1	0	12	-
Large Corporate	4,449	473	966	5,887	1,347
SMEs	7,835	310	1,345	9,490	5,121
Public Sector	1	1	1,659	1,661	0
Other Assets - Financial Instruments	-	0	-	0	0
Total financial assets at amortised cost	**25,023**	**899**	**4,200**	**30,122**	**6,468**
Derivative financial instruments	-	470	-	470	-
Total financial instruments at FVTPL	**0**	**470**	**0**	**470**	**0**
Financial guarantees	104	89	73	267	723
Letters of credit	0	0	2	2	2
Total	**104**	**89**	**75**	**269**	**725**

Group	Fair value of collateral and credit enhancements held under the base scenario				
31/12/2018	Type of collateral or credit enhancement				
	Real estate collateral	Financial collateral	Other collateral	Total value of collateral	Guarantees received
Reverse repurchase agreements	-	9	-	9	-
Loans and advances to customers at amortised cost	25,363	838	3,693	29,894	7,958
Mortgages	12,093	42	114	12,248	0
Consumer, Personal and Other	976	50	85	1,111	0
Credit Cards	19	0	0	20	-
Large Corporate	4,104	424	474	5,002	1,919
SMEs	8,170	320	1,399	9,889	6,039
Public Sector	1	2	1,621	1,624	0
Total financial assets at amortised cost	**25,363**	**847**	**3,693**	**29,903**	**7,958**
Derivative financial instruments	-	50	-	50	-
Total financial instruments at FVTPL	**0**	**50**	**0**	**50**	**0**
Financial guarantees	105	88	75	267	766
Letters of credit	0	1	0	1	4
Total	**105**	**89**	**75**	**268**	**770**

Bank 31/12/2019	Fair value of collateral and credit enhancements held under the base scenario				
	Type of collateral or credit enhancement				
	Real estate collateral	Financial collateral	Other collateral	Total value of collateral	Guarantees received
Reverse repurchase agreements	-	12	-	12	-
Loans and advances to customers at amortised cost	24,299	885	3,690	28,874	6,474
Mortgages	11,856	48	102	12,005	-
Consumer, Personal and Other	871	46	129	1,046	-
Credit Cards	12	1	0	12	-
Large Corporate	4,350	481	880	5,712	1,362
SMEs	7,209	308	926	8,443	5,112
Public Sector	1	1	1,654	1,656	0
Total financial assets at amortised cost	**24,299**	**897**	**3,690**	**28,886**	**6,474**
Derivative financial instruments	-	470	-	470	-
Total financial instruments at FVTPL	**0**	**470**	**0**	**470**	**0**
Financial guarantees	104	97	72	273	723
Letters of credit	0	0	0	0	2
Total	**104**	**97**	**72**	**274**	**725**

Bank 31/12/2018	Fair value of collateral and credit enhancements held under the base scenario				
	Type of collateral or credit enhancement				
	Real estate collateral	Financial collateral	Other collateral	Total value of collateral	Guarantees received
Reverse repurchase agreements	-	9	-	9	-
Loans and advances to customers at amortised cost	24,489	831	3,054	28,374	7,995
Mortgages	12,092	42	114	12,248	-
Consumer, Personal and Other	976	44	85	1,105	-
Credit Cards	19	0	0	20	-
Large Corporate	3,954	425	267	4,647	1,958
SMEs	7,447	318	967	8,732	6,037
Public Sector	1	2	1,621	1,623	0
Total financial assets at amortised cost	**24,489**	**840**	**3,054**	**28,383**	**7,995**
Derivative financial instruments	-	50	-	50	-
Total financial instruments at FVTPL	**0**	**50**	**0**	**50**	**0**
Financial guarantees	105	96	72	273	764
Letters of credit	0	1	0	1	3
Total	**105**	**97**	**72**	**274**	**767**

Furthermore, the fair value of collateral sold or repledged amounted to € 81 million and € 419 million as at 31 December 2019 and 2018, respectively. The Group and the Bank acquired the aforementioned collateral from reverse repurchase agreements or derivative transactions under the obligation to return it to the transferor and under terms that are usual and customary to standard securities lending and to derivative transactions.

The below tables provide the fair value of collaterals held and credit enhancements for Stage 3 loans and advances to customers at amortised cost. Dependent on the level of collateral some Stage 3 loans and advances to customers at amortised cost may not have individual ECLs when the expected value of the collateral is greater that the LGD, even if the future value of collateral is forecasted using multiple economic scenarios.

Group 31/12/2019	Fair value of collateral and credit enhancements of Stage 3 loans and advances to customers at amortised cost held under the base scenario					
	Type of collateral or credit enhancement					
	Real estate collateral	Financial collateral	Other collateral	Total value of collateral	Guarantees received	Associated ECL
Loans and advances to customers at amortised cost	8,447	175	570	9,192	3,508	6,974
Mortgages	2,846	2	11	2,859	-	942
Consumer, Personal and Other	258	7	2	267	0	698
Credit Cards	7	0	-	7	-	159
Large Corporate	1,447	118	64	1,628	703	1,715
SMEs	3,889	48	489	4,426	2,805	3,457
Public Sector	-	-	4	4	0	4
Total loans and advances to customers at amortised cost	**8,447**	**175**	**570**	**9,192**	**3,508**	**6,974**
Financial guarantees	21	3	10	34	175	101
Letters of credit	-	-	-	-	0	0
Total	**21**	**3**	**10**	**34**	**175**	**101**

Group 31/12/2018	Fair value of collateral and credit enhancements of Stage 3 loans and advances to customers at amortised cost held under the base scenario					
	Type of collateral or credit enhancement					
	Real estate collateral	Financial collateral	Other collateral	Total value of collateral	Guarantees received	Associated ECL
Loans and advances to customers at amortised cost	8,735	120	688	9,544	4,386	8,647
Mortgages	2,851	3	14	2,867	0	1,004
Consumer, Personal and Other	294	7	2	302	0	827
Credit Cards	13	0	-	13	-	205
Large Corporate	1,441	31	67	1,539	926	2,183
SMEs	4,136	80	602	4,818	3,460	4,424
Public Sector	-	-	4	4	-	4
Total loans and advances to customers at amortised cost	**8,735**	**120**	**688**	**9,544**	**4,386**	**8,647**
Financial guarantees	22	2	10	33	192	105
Letters of credit	-	-	-	-	1	0
Total	**22**	**2**	**10**	**33**	**193**	**105**

Bank 31/12/2019	Fair value of collateral and credit enhancements of Stage 3 loans and advances to customers at amortised cost held under the base scenario					
	Type of collateral or credit enhancement					
	Real estate collateral	Financial collateral	Other collateral	Total value of collateral	Guarantees received	Associated ECL
Loans and advances to customers at amortised cost	8,178	171	458	8,808	3,508	7,245
Mortgages	2,846	2	11	2,859	-	941
Consumer, Personal and Other	258	7	2	267	-	697
Credit Cards	7	0	-	7	-	159
Large Corporate	1,443	115	38	1,595	703	1,999
SMEs	3,624	48	404	4,076	2,805	3,445
Public Sector	-	-	4	4	0	4
Total loans and advances to customers at amortised cost	**8,178**	**171**	**458**	**8,808**	**3,508**	**7,245**
Financial guarantees	22	3	10	35	175	101
Letters of credit	-	-	-	-	0	0
Total	**22**	**3**	**10**	**35**	**175**	**101**

Bank 31/12/2018	Fair value of collateral and credit enhancements of Stage 3 loans and advances to customers at amortised cost held under the base scenario					
	Type of collateral or credit enhancement					
	Real estate collateral	Financial collateral	Other collateral	Total value of collateral	Guarantees received	Associated ECL
Loans and advances to customers at amortised cost	8,280	117	540	8,937	4,385	8,294
Mortgages	2,851	3	14	2,867	-	1,003
Consumer, Personal and Other	294	7	2	302	-	827
Credit Cards	13	0	-	13	-	205
Large Corporate	1,342	28	55	1,425	925	2,123
SMEs	3,781	80	466	4,327	3,460	4,132
Public Sector	-	-	4	4	-	3
Total loans and advances to customers at amortised cost	**8,280**	**117**	**540**	**8,937**	**4,385**	**8,294**
Financial guarantees	22	2	10	33	192	105
Letters of credit	-	-	-	-	1	0
Total	**22**	**2**	**10**	**33**	**193**	**105**

4.3.4 Loan-to-value ratio of mortgage and commercial real estate lending portfolios

The below table depicts the Loan-to-value (LTV) ratio, which represents the relationship between mortgage and commercial portfolios gross carrying amounts and the value of the property held as collateral (plus any other eligible collateral according to policy). A clustering of residential and commercial real estate, by range of LTV, is summarized as follow:

31/12/2019	Group		Bank	
	Mortgages (gross amount)	Commercial real estate loans (gross amounts)	Mortgages (gross amount)	Commercial real estate loans (gross amounts)
Less than 50%	3,142	119	3,142	119
50%-70%	2,284	79	2,284	79
71%-80%	1,104	22	1,104	22
81%-90%	1,045	46	1,045	46
91%-100%	955	50	955	50
101%-120%	1,622	57	1,622	92
121%-150%	1,505	67	1,505	67
Greater than 150%	2,257	274	2,257	274
Total exposure	**13,914**	**714**	**13,914**	**750**
Weighted Average LTV	**97.5%**	**155.2%**	**97.4%**	**155.2%**

31/12/2018	Group		Bank	
	Mortgages (gross amount)	Commercial real estate loans (gross amounts)	Mortgages (gross amount)	Commercial real estate loans (gross amounts)
Less than 50%	2,815	221	2,815	221
50%-70%	2,152	106	2,152	106
71%-80%	1,094	15	1,094	15
81%-90%	1,082	8	1,082	8
91%-100%	1,042	34	1,042	34
101%-120%	1,809	66	1,809	66
121%-150%	1,864	103	1,864	103
Greater than 150%	2,664	384	2,664	384
Total exposure	**14,523**	**937**	**14,521**	**937**
Weighted Average LTV	**104.0%**	**158.8%**	**104.0%**	**158.8%**

4.3.5 Repossessed collaterals

The repossessed collaterals presented below in line "Real estate" refer to property that is included in lines "Other Assets", "Property and equipment", "Investment property" and "Assets held for sale" in the Statement of Financial Position.

Group - 31/12/2019	Gross amount	Of which: added this year	Accumulated impairment or fair value adjustment	Of which: on newly added	Net amount	Net Sale Price	Net gain / losses on sale
Real estate	**1,898**	**280**	**(201)**	**(65)**	**1,697**	**33**	**7**
-Residential	401	86	(59)	(6)	341	19	5
-Commercial	1,497	194	(141)	(59)	1,356	14	1
Other collateral	**11**	**4**	**(8)**	**(4)**	**4**	**1**	**0**

Group - 31/12/2018	Gross amount	Of which: added this year	Accumulated impairment or fair value adjustment	Of which: on newly added	Net amount	Net Sale Price	Net gain / losses on sale
Real estate	**1,470**	**217**	**(226)**	**(91)**	**1,244**	**58**	**2**
-Residential	346	52	(71)	(14)	275	38	3
-Commercial	1,125	165	(155)	(77)	970	20	(1)
Other collateral	**15**	**2**	**(11)**	**(4)**	**4**	**1**	**0**

Bank - 31/12/2019	Gross amount	Of which: added this year	Accumulated impairment or fair value adjustment	Of which: on newly added	Net amount	Net Sale Price	Net gain / losses on sale
Real estate	**1,276**	**171**	**(134)**	**(25)**	**1,142**	**26**	**6**
-Residential	353	65	(44)	(2)	309	16	5
-Commercial	923	106	(89)	(22)	834	10	1
Other collateral	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Bank - 31/12/2018	Gross amount	Of which: added this year	Accumulated impairment or fair value adjustment	Of which: on newly added	Net amount	Net Sale Price	Net gain / losses on sale
Real estate	**1,162**	**199**	**(142)**	**(34)**	**1,020**	**49**	**2**
-Residential	318	51	(60)	(15)	258	35	3
-Commercial	844	148	(82)	(19)	762	14	(1)
Other collateral	**0**	**-**	**-**	**-**	**0**	**-**	**-**

The Group and the Bank grant loans and advances to customers at amortised cost which are collateralised by property. In case that these loans and advances to customers become defaulted, the Group and the Bank proceeds to the repossession of the relevant property, when this is assessed as the best solution by the responsible, authorized for this purpose, units of the Bank and its subsidiaries. In this context, Management assesses the specific characteristics of each property (such as the type and the condition of the property, the location, the possible uses, etc), the cost for acquiring the property, as compared to the value of subsequent sale or the value in use.

The aforementioned assessment is part of the Group and the Bank's strategy and is in line with the REO Policy Framework and also its objectives for profitability, liquidity and capital adequacy.

For the Group and the Bank, the repossession and management of property acquired from auctions, is performed by the REO Unit, based on the internally approved procedures. In particular, a dedicated Group Real Estate on boarding Committee has been established and it is responsible for deciding in which auctions the Bank will participate and reposess collaterals.The same unit reassesses periodically the best use of the acquired property, in collaboration with Piraeus Real Estate.

For the properties that are to be sold, there is a robust process in place that involves a multichannel sales approach and relevant actions are managed by the specialized subsidiary of the Group, Piraeus Real Estate, together with the REO Unit to the Bank's branch network, real estate agencies or direct sales, whereas electronic call for tenders (www.properties4sale.gr) are being performed, as well as public tenders through the press. Furthermore, rental agreements for many acquired properties are signed, when it is presumed that respective rental income in collaboration with Piraeus Real Estate is favorable for the Group and the Bank. Those rental agreements are being monitored by the Leased Property department, who is responsible for renting such properties as well as managing the relevant rentals. Additionally, the properties portfolio of the Bank includes properties to be used by the Bank or to be rented to other subsidiaries or associates of the Group are being monitored by the Technical Division Department of the Bank in cooperation with REO's Rental Department. In addition, special properties that can be utilized with further investments are examined individually.

The above mentioned activities determine the basic policy and framework for the Group's procedures in normal conditions of the real estate market. However, Management assesses alternative scenarios for the mass sale of repossessed properties or their contribution to various investment vehicles, in cooperation with external advisors, in an attempt for the improvement of total asset return.

Moreover, in 2019 the Group did not repossess any equity securities (2018: € 38 million).

4.4 Forbearance

Overview of modified and forborne loans

Management applies the "Implementing Technical Standards" ("ITS") of the European Banking Authority ("EBA") relating to forborne loans.

The alignment of the Restructuring Policy of the Group and the Bank with the relevant EBA definitions and Bank of Greece guidelines, was backed up with the creation of new structures and procedures, development of new information systems and modifications on existing applications, in order to achieve effective and reliable management of past due loans, by performing viable restructurings and monitoring the effectiveness of various types of forbearance.

Forborne loans and advances are defined as exposures arising from loans and advances to customers that have been subject to forbearance measures. The measures are considered as a concession of the Group and the Bank to a borrower who is facing or is about to face financial difficulties in fulfilling its financial obligations. Forbearance may involve modification of contractual terms and conditions and/or refinancing of debts.

Forbearance measures do not lead to derecognition unless the modification changes substantially the loan terms of the original contract.

According to the EBA Guidelines, in order for the forborne flag to be removed, all relevant criteria should apply, including the minimum required probation period (at least 2 years from the date of classification as performing exposure).

In order to achieve greater efficiencies in the management of NPEs, Piraeus Bank entered into the Intrum Transaction. Intrum Group is experienced in providing restructuring and turnaround services of NPE portfolios and will act with the aim of maximising recoveries and minimising credit related losses, risk weighted assets and the capital impact of all recovery actions, while acknowledging the operational and financial targets set for Piraeus Bank by the SSM.

The Supervisory & NPL Management Council, which among other things, is responsible for the strategy of past due loans management, collaborates with the Risk Management Unit for the achievement of a common understanding and the development of appropriate methodologies to assess the risk of the portfolio managed by Intrum Hellas Credit Servicing S.A.. The Risk Management Unit monitors the forbearance process and assesses the relative risks by portfolio and forbearance type.

The CRO is informed at least monthly on the NPE evolutions and is entitled to express his opinion to Risk Committee.

Credit quality of forborne loans measured at amortised cost

	Group			Bank		
31/12/2019	**Loans measured at amortised cost**	**Forborne Loans measured at amortised cost**	**% of Forborne Loans measured at amortised cost**	**Loans measured at amortised cost**	**Forborne Loans measured at amortised cost**	**% of Forborne Loans measured at amortised cost**
Stage 1	19,979	-	0.0%	21,115	-	0.0%
Stage 2	4,999	2,696	53.9%	4,780	2,614	54.7%
Stage 3	17,821	6,516	36.6%	17,542	6,193	35.3%
POCI	7,349	1,512	20.6%	7,159	1,447	20.2%
Total Gross exposure	**50,148**	**10,725**	**21.4%**	**50,595**	**10,254**	**20.3%**
Stage 1 ECL allowance	(117)	-	0.0%	(109)	-	0.0%
Stage 2 ECL allowance	(238)	(127)	53.5%	(233)	(126)	54.1%
Stage 3 ECL allowance	(7,303)	(1,994)	27.3%	(7,245)	(1,927)	26.6%
POCI ECL allowance	(3,328)	(281)	8.4%	(3,207)	(265)	8.3%
Total ECL allowance	**(10,986)**	**(2,402)**	**21.9%**	**(10,794)**	**(2,318)**	**21.5%**
Stage 1	19,862	-	0.0%	21,005	-	0.0%
Stage 2	4,761	2,568	53.9%	4,547	2,488	54.7%
Stage 3	10,518	4,523	43.0%	10,297	4,266	41.4%
POCI	4,021	1,232	30.6%	3,952	1,182	29.9%
Loans measured at amortised cost	**39,162**	**8,323**	**21.3%**	**39,801**	**7,936**	**19.9%**
Value of collateral	30,110	6,717	22.3%	28,874	6,348	22.0%

31/12/2018	Group			Bank		
	Loans measured at amortised cost	Forborne Loans measured at amortised cost	% of Forborne Loans measured at amortised cost	Loans measured at amortised cost	Forborne Loans measured at amortised cost	% of Forborne Loans measured at amortised cost
Stage 1	19,221	-	0.0%	20,448	-	0.0%
Stage 2	5,894	2,893	49.1%	6,070	2,759	45.5%
Stage 3	19,448	7,858	40.4%	18,506	7,443	40.2%
POCI	8,527	2,049	24.0%	8,317	2,054	24.7%
Total Gross exposure	**53,090**	**12,800**	**24.1%**	**53,342**	**12,256**	**23.0%**
Stage 1 ECL allowance	(154)	-	0.0%	(215)	-	0.0%
Stage 2 ECL allowance	(367)	(188)	51.2%	(348)	(185)	53.1%
Stage 3 ECL allowance	(8,743)	(2,443)	27.9%	(8,294)	(2,371)	28.6%
POCI ECL allowance	(4,069)	(553)	13.6%	(3,928)	(524)	13.4%
Total ECL allowance	**(13,333)**	**(3,185)**	**23.9%**	**(12,785)**	**(3,080)**	**24.1%**
Stage 1	19,067	-	0.0%	20,233	-	0.0%
Stage 2	5,527	2,705	48.9%	5,723	2,575	45.0%
Stage 3	10,705	5,415	50.6%	10,213	5,071	49.7%
POCI	4,458	1,495	33.5%	4,389	1,529	34.8%
Loans measured at amortised cost	**39,757**	**9,615**	**24.2%**	**40,557**	**9,176**	**22.6%**
Value of collateral	29,894	7,520	25.2%	28,374	7,090	25.0%

Forborne loans measured at amortised cost by type of forbearance measure

	Group		Bank	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Reduced payment schedule	1,230	1,520	1,176	1,441
Payment moratorium/ Holidays	464	528	464	528
Term extension	2,326	2,550	2,318	2,543
Arrears capitalization	817	1,088	812	1,084
Hybrid (i.e. combination of forbearance measures)	3,054	3,691	2,735	3,341
Other	432	238	432	238
Total net amount	**8,323**	**9,615**	**7,936**	**9,176**

Reconciliation of forborne loans measured at amortised cost

The below table shows the reconciliation of forborne loans measured at amortised cost net of ECL allowance for impairment losses.

	Group		Bank	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Opening balance as at 1/1 (net)	**9,615**	**10,441**	**9,176**	**9,706**
Opening balance of discontinued operations	-	(146)	-	-
Forbearance measures during the year	2,002	3,011	1,940	2,975
Repayment of loans (partial or total)	(983)	(879)	(959)	(851)
Loans that exited forbearance status during the year	(2,692)	(3,225)	(2,589)	(3,067)
ECL allowance	343	334	329	348
- from continuing operations	343	334	-	-
- from discontinued operations	-	-	-	-
FX differences and other movements	38	80	38	64
Closing balance (net)	**8,323**	**9,615**	**7,936**	**9,176**

Forborne loans measured at amortised cost by product line

	Group		Bank	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Retail lending	**3,947**	**4,350**	**3,947**	**4,350**
Mortgage	3,408	3,702	3,408	3,702
Consumer, Personal and Other	539	648	539	648
Credit cards	-	-	-	-
Corporate lending	**4,371**	**5,258**	**3,984**	**4,819**
Large Corporate	1,451	1,681	1,352	1,591
SME's	2,920	3,577	2,632	3,228
Public sector	**4**	**7**	**4**	**7**
Greece	4	7	4	7
Other Countries	-	-	-	-
Total net amount	**8,323**	**9,615**	**7,936**	**9,176**

Forborne loans measured at amortised cost by geographical region

	Group		Bank	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Greece	8,306	9,578	7,921	9,154
Rest of Europe	17	37	15	22
Total net amount	**8,323**	**9,615**	**7,936**	**9,176**

4.5 Borrower's transactions

Piraeus Bank, in certain cases of debt restructuring agreements, participates in debt to equity transactions in an effort to make the borrower's businesses viable, so that they can meet their obligations to the Bank. The debt to equity transactions refer to renegotiation of the terms of the loan by the borrower and the Bank, aiming to the full or partial reduction of the debt with the parallel issue of the borrower's equity to the Bank. Such debt restructuring agreements, result to the Bank's control or significant influence or minority shareholding over the borrower.

Debt to equity transactions that took place during 2019 and 2018 are as follows:

	2019			
S/N	Company	% Holding	Date of acquisition	Cost of acquisition
1	UNISOFT S.A.	3.7%	13/3/2019	0
2	HELESI	35.0%	29/3/2019	5
3	AKRITAS	12.2%	26/7/2019	0
4	GREEK YELLOW PAGES	8.4%	23/12/2019	0

	2018			
S/N	Company	% Holding	Date of acquisition	Cost of acquisition
1	DANAOS CORPORATION	2.4%	10/8/2018	7
2	LION RENTAL S.A.	0.4%	20/12/2018	0

4.6 Debt securities at amortised cost and debt securities measured at FVTOCI

The tables below present an analysis of debt securities measured at FVTOCI rating, based on Standard and Poor's rating scale and staging:

Group	External rating grade of debt instruments measured at FVTOCI				
31/12/2019	Stage 1	Stage 2	Stage 3	POCI	Total
BBB- to BBB+	39	-	-	-	**39**
BB- to BB+	111	-	-	-	**111**
Lower than BB-	1,265	-	-	-	**1,265**
Unrated	22	-	-	-	**22**
Total	**1,437**	**0**	**0**	**0**	**1,437**

Group	External rating grade of debt instruments measured at FVTOCI				
31/12/2018	Stage 1	Stage 2	Stage 3	POCI	Total
BBB- to BBB+	-	-	-	-	**0**
BB- to BB+	70	-	-	-	**70**
Lower than BB-	2,017	-	-	-	**2,017**
Unrated	8	2	-	-	**10**
Total	**2,095**	**2**	**0**	**0**	**2,097**

Bank	External rating grade of debt securities measured at FVTOCI				
31/12/2019	Stage 1	Stage 2	Stage 3	POCI	Total
BBB- to BBB+	39	-	-	-	**39**
BB- to BB+	111	-	-	-	**111**
Lower than BB-	1,263	-	-	-	**1,263**
Unrated	22	-	-	-	**22**
Total	**1,435**	**0**	**0**	**0**	**1,435**

Bank	External rating grade of debt securities measured at FVTOCI				
31/12/2018	Stage 1	Stage 2	Stage 3	POCI	Total
BBB- to BBB+	-	-	-	-	**0**
BB- to BB+	70	-	-	-	**70**
Lower than BB-	2,013	-	-	-	**2,013**
Unrated	8	2	-	-	**10**
Total	**2,091**	**2**	**0**	**0**	**2,093**

Group & Bank	External rating grade of debt securities at amortised cost						
31/12/2019	Stage 1	Stage 2	Stage 3	POCI	Total	ECL Allowance	Total
BBB- to BBB+	1,116	-	-	-	**1,116**	0	1,116
BB- to BB+	5	-	-	-	**5**	0	5
Total	**1,121**	**0**	**0**	**0**	**1,121**	0	1,121

Group & Bank	External rating grade of debt securities at amortised cost						
31/12/2018	Stage 1	Stage 2	Stage 3	POCI	Total	ECL Allowance	Total
BBB- to BBB+	203	-	-	-	**203**	0	203
BB- to BB+	5	-	-	-	**5**	0	5
Total	**208**	**0**	**0**	**0**	**208**	0	208

4.7 Concentration of risks of financial assets with credit risk exposure

Geographical sector

The following table breaks down the gross carrying amounts of financial assets, which are exposed to credit risk. The credit risk exposure is based on the country of domicile of the Group.

Group 31/12/2019	Gross carrying amounts										
	Greece					Other Countries					Grand Total
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	
Due from banks	1,185	-	-	-	**1,185**	122	-	-	-	**122**	**1,307**
Reverse repos with customers	38	-	-	-	**38**	-	-	-	-	**0**	**38**
Loans and advances to customers at amortised cost	19,573	4,935	16,979	7,349	**48,836**	406	64	842	-	**1,313**	**50,148**
Retail Lending	6,659	2,766	4,942	3,619	**17,986**	20	53	44	-	**117**	**18,103**
Mortgages	5,383	2,224	3,671	2,601	**13,879**	16	12	8	-	**35**	**13,914**
Consumer, Personal and Other	884	400	1,083	924	**3,291**	4	41	36	-	**81**	**3,372**
Credit cards	392	143	187	94	**816**	0	0	0	-	**1**	**816**
Corporate and Public Sector Lending	12,914	2,168	12,038	3,730	**30,850**	386	12	798	-	**1,196**	**32,046**
Large Corporate	6,688	864	4,112	523	**12,185**	323	2	111	-	**436**	**12,621**
SMEs	4,487	1,304	7,915	3,204	**16,910**	63	10	687	-	**760**	**17,670**
Public Sector	1,740	1	11	3	**1,754**	-	-	-	-	**0**	**1,754**
Financial assets at FVTOCI	1,435	-	-	-	**1,435**	1	-	-	-	**1**	**1,437**
Debt securities at amortised cost	1,121	-	-	-	**1,121**	-	-	-	-	**0**	**1,121**
Other assets - Financial Instruments	634	87	452	-	**1,172**	15	0	6	-	**22**	**1,194**
Total	**23,986**	**5,021**	**17,432**	**7,349**	**53,788**	**545**	**64**	**848**	**0**	**1,458**	**55,245**

Group 31/12/2018	Gross carrying amounts										
	Greece					Other Countries					Grand Total
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	
Due from banks	972	0	0	-	**972**	148	-	-	-	**148**	**1,120**
Reverse repos with customers	103	-	-	-	**103**	-	-	-	-	**0**	**103**
Loans and advances to customers at amortised cost	19,046	5,756	18,345	8,527	**51,674**	175	138	1,103	-	**1,416**	**53,091**
Retail Lending	7,036	2,736	5,251	4,137	**19,160**	13	84	74	-	**171**	**19,331**
Mortgages	5,829	2,133	3,736	2,776	**14,474**	2	32	14	-	**49**	**14,523**
Consumer, Personal and Other	807	458	1,260	1,219	**3,744**	10	52	60	-	**121**	**3,865**
Credit cards	400	145	256	142	**942**	0	0	0	-	**1**	**943**
Corporate and Public Sector Lending	12,011	3,019	13,094	4,390	**32,514**	162	54	1,029	-	**1,245**	**33,760**
Large Corporate	6,414	1,190	4,017	786	**12,406**	75	20	274	-	**370**	**12,776**
SMEs	3,874	1,829	9,066	3,601	**18,370**	87	34	755	-	**876**	**19,246**
Public Sector	1,722	1	11	3	**1,738**	-	-	-	-	**0**	**1,738**
Financial assets at FVTOCI	2,091	2	-	-	**2,093**	4	-	-	-	**4**	**2,097**
Debt securities at amortised cost	208	-	-	-	**208**	-	-	-	-	**0**	**208**
Other assets - Financial Instruments	712	27	400	-	**1,139**	0	5	4	-	**9**	**1,149**
Total	**23,133**	**5,784**	**18,745**	**8,527**	**56,190**	**327**	**143**	**1,107**	**0**	**1,578**	**57,768**

Bank 31/12/2019	Gross carrying amounts										
	Greece					Other Countries					Grand Total
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	
Due from banks	1,175	-	-	-	**1,175**	64	-	-	-	**64**	**1,239**
Reverse repos with customers	38	-	-	-	**38**	-	-	-	-	**0**	**38**
Loans and advances to customers at amortised cost	20,628	4,719	16,555	7,159	**49,061**	487	61	987	-	**1,534**	**50,595**
Retail Lending	6,651	2,766	4,942	3,619	**17,978**	20	53	42	-	**115**	**18,093**
Mortgages	5,383	2,224	3,671	2,601	**13,879**	15	12	7	-	**34**	**13,914**
Consumer, Personal and Other	877	400	1,083	924	**3,283**	4	41	35	-	**81**	**3,364**
Credit cards	392	143	187	94	**816**	-	-	-	-	**0**	**816**
Corporate and Public Sector Lending	13,976	1,953	11,614	3,540	**31,083**	467	8	944	-	**1,419**	**32,502**
Large Corporate	8,164	885	4,243	507	**13,798**	451	-	319	-	**769**	**14,568**
SMEs	4,078	1,067	7,360	3,030	**15,536**	16	8	625	-	**650**	**16,186**
Public Sector	1,735	1	11	3	**1,749**	-	-	-	-	**0**	**1,749**
Financial assets at FVTOCI	1,435	-	-	-	**1,435**	-	-	-	-	**0**	**1,435**
Debt securities at amortised cost	1,121	-	-	-	**1,121**	-	-	-	-	**0**	**1,121**
Other assets - Financial Instruments	708	37	379	-	**1,123**	8	-	2	-	**10**	**1,133**
Total	**25,105**	**4,756**	**16,934**	**7,159**	**53,954**	**559**	**61**	**988**	**0**	**1,608**	**55,562**

Bank 31/12/2018	Gross carrying amounts										
	Greece					Other Countries					Grand Total
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	
Due from banks	1,095	-	-	-	**1,095**	36	-	-	-	**36**	**1,130**
Reverse repos with customers	103	-	-	-	**103**	-	-	-	-	**0**	**103**
Loans and advances to customers at amortised cost	20,070	5,923	17,478	8,317	**51,787**	379	147	1,029	-	**1,554**	**53,342**
Retail Lending	7,030	2,736	5,251	4,137	**19,154**	12	84	73	-	**168**	**19,323**
Mortgages	5,829	2,133	3,736	2,776	**14,474**	2	32	13	-	**48**	**14,521**
Consumer, Personal and Other	801	458	1,260	1,219	**3,738**	10	52	59	-	**121**	**3,859**
Credit cards	400	145	256	142	**942**	-	-	-	-	**0**	**942**
Corporate and Public Sector Lending	13,040	3,187	12,227	4,179	**32,633**	367	63	956	-	**1,386**	**34,019**
Large Corporate	7,711	1,712	3,843	767	**14,034**	311	46	273	-	**630**	**14,663**
SMEs	3,607	1,474	8,373	3,409	**16,862**	56	17	683	-	**756**	**17,618**
Public Sector	1,722	1	11	3	**1,737**	-	-	-	-	**0**	**1,737**
Financial assets at FVTOCI	2,091	2	-	-	**2,093**	-	-	-	-	**0**	**2,093**
Debt securities at amortised cost	208	-	-	-	**208**	-	-	-	-	**0**	**208**
Other assets - Financial Instruments	832	3	324	-	**1,160**	-	-	-	-	**0**	**1,160**
Total	**24,399**	**5,928**	**17,802**	**8,317**	**56,446**	**414**	**147**	**1,029**	**0**	**1,590**	**58,036**

Industry Sector

The following table breaks down the carrying amounts per industry sector of the Group's financial assets that are exposed to credit risk. The allocation has been made according to the business sector of each counterparty.

Group	Gross carrying amounts - Industry sectors															
31/12/2019	Financial Institutions	Manufacturing / Handicraft	Construction	Real Estate Companies	Project Finance	Wholesale and retail trade	Public sector	Shipping Companies	Coastline/ Ferries Companies	Hotels	Agriculture	Energy	Transport & Logistics	Other industries	Individuals	Total
Due from banks	1,307	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**1,307**
Reverse repos with customers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	38	**38**
Loans and advances to customers at amortised cost	1,509	5,194	2,965	2,053	1,645	5,245	1,754	1,791	254	2,611	786	1,099	988	4,152	18,103	**50,148**
Retail lending	-	-	-	-	-	-	-	-	-	-	-	-	-	-	18,103	**18,103**
Mortgages	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13,914	**13,914**
Consumer, Personal and Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,372	**3,372**
Credit cards	-	-	-	-	-	-	-	-	-	-	-	-	-	-	816	**816**
Corporate and Public Sector Lending	1,509	5,194	2,965	2,053	1,645	5,245	1,754	1,791	254	2,611	786	1,099	988	4,152	-	**32,046**
Large Corporate	1,424	1,236	770	1,004	1,566	675	-	1,791	254	965	6	890	514	1,526	-	**12,621**
SMEs	85	3,958	2,195	1,049	79	4,569	-	-	-	1,646	781	209	474	2,626	-	**17,670**
Public Sector							1,754									**1,754**
Financial assets at FVOCI	63	-	-	-	-	4	1,265	-	-	-	-	-	5	99	-	**1,437**
Debt securities at amortised cost	-	-	-	-	-	-	1,121	-	-	-	-	-	-	-	-	**1,121**
Other assets - Financial Instruments	80	51	15	8	-	7	380	2	-	0	0	7	4	464	177	**1,194**
Total	**2,959**	**5,245**	**2,981**	**2,060**	**1,645**	**5,255**	**4,520**	**1,793**	**254**	**2,611**	**786**	**1,105**	**997**	**4,716**	**18,318**	**55,245**
Stage 1	1,565	1,820	526	632	1,518	1,711	4,414	1,232	95	1,068	285	1,018	186	1,615	6,850	**24,533**
Stage 2	102	467	207	101	28	309	28	59	30	428	39	20	51	374	2,819	**5,063**
Stage 3	1,246	2,334	1,760	1,010	93	2,325	76	501	128	867	359	64	667	1,831	5,030	**18,290**
POCI	46	625	488	318	7	910	3	0	-	247	104	4	93	896	3,619	**7,359**
Total	**2,959**	**5,245**	**2,981**	**2,060**	**1,645**	**5,255**	**4,520**	**1,793**	**254**	**2,611**	**786**	**1,105**	**997**	**4,716**	**18,318**	**55,245**

The gross carrying amount of Loans and advances for the Public sector of € 1,754 million at 31 December 2019 for the Group includes the seasonal loan to Payment and Control Agency for Guidance and Guarantee Community AID ('OPEKEPE') of € 1,649 million (31 December 2018: € 1,616 million), which has been repaid in February 2020.

Group	Gross carrying amounts - Industry sectors															
31/12/2018	**Financial Institutions**	**Manufacturing / Handicraft**	**Construction**	**Real Estate Companies**	**Project Finance**	**Wholesale and retail trade**	**Public sector**	**Shipping Companies**	**Coastline/ Ferries Companies**	**Hotels**	**Agriculture**	**Energy**	**Transport & Logistics**	**Other industries**	**Individuals**	**Total**
Due from banks	1,120	-	-	0	-	-	0	-	-	-	-	0	-	0	-	**1,120**
Reverse repos with customers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	103	**103**
Loans and advances to customers at amortised cost	1,558	5,587	3,403	2,166	1,237	5,597	1,738	1,778	100	2,804	773	1,293	1,301	4,425	19,331	**53,091**
Retail lending	-	-	-	-	-	-	-	-	-	-	-	-	-	-	19,331	**19,331**
Mortgages	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14,523	**14,523**
Consumer, Personal and Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,865	**3,865**
Credit cards	-	-	-	-	-	-	-	-	-	-	-	-	-	-	943	**943**
Corporate and public sector lending	1,558	5,587	3,403	2,166	1,237	5,597	1,738	1,778	100	2,804	773	1,293	1,301	4,425	-	**33,760**
Large Corporate	1,407	1,430	948	875	1,124	819	-	1,778	100	981	42	1,047	709	1,517	-	**12,775**
SMEs	151	4,158	2,455	1,291	114	4,778	-	-	-	1,823	732	245	592	2,907	-	**19,247**
Public Sector	-	-	-	-	-	-	1,738	-	-	-	-	-	-	-	-	**1,738**
Financial assets at FVOCI	66	-	-	-	-	5	2,002	-	-	-	-	-	-	24	-	**2,097**
Debt securities at amortised cost	-	-	-	-	-	-	208	-	-	-	-	-	-	-	-	**208**
Other assets - Financial Instruments	55	47	12	6	-	22	346	1	-	0	0	4	0	503	152	**1,149**
Total	**2,798**	**5,634**	**3,415**	**2,172**	**1,237**	**5,624**	**4,295**	**1,779**	**100**	**2,804**	**773**	**1,297**	**1,301**	**4,951**	**19,586**	**57,768**
Stage 1	1,837	1,829	516	389	1,048	1,559	4,264	799	30	848	273	1,125	290	1,399	7,259	**23,467**
Stage 2	63	430	295	219	24	416	1	313	36	623	61	102	99	421	2,820	**5,922**
Stage 3	843	2,685	2,035	1,128	146	2,623	26	661	35	1,052	338	66	776	2,067	5,370	**19,851**
POCI	55	690	569	436	19	1,025	3	5	-	281	101	4	136	1,064	4,137	**8,527**
Total	**2,798**	**5,634**	**3,415**	**2,172**	**1,237**	**5,624**	**4,295**	**1,779**	**100**	**2,804**	**773**	**1,297**	**1,301**	**4,951**	**19,586**	**57,768**

The following table breaks down the carrying amounts per industry sector of the Bank's financial assets that are exposed to credit risk. The allocation has been made according to the business sector of each counterparty.

Bank	Gross carrying amounts - Industry sectors															
31/12/2019	**Financial Institutions**	**Manufacturing / Handicraft**	**Construction**	**Real Estate Companies**	**Project Finance**	**Wholesale and retail trade**	**Public sector**	**Shipping Companies**	**Coastline/ Ferries Companies**	**Hotels**	**Agriculture**	**Energy**	**Transport & Logistics**	**Other industries**	**Individuals**	**Total**
Due from banks	1,239	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**1,239**
Reverse repos with customers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	38	**38**
Loans and advances to customers at amortised cost	3,251	4,847	2,797	2,166	1,690	4,797	1,749	1,791	254	2,326	762	1,074	924	4,075	18,093	**50,595**
Retail lending	-	-	-	-	-	-	-	-	-	-	-	-	-	-	18,093	**18,093**
Mortgages	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13,914	**13,914**
Consumer, Personal and Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,364	**3,364**
Credit cards	-	-	-	-	-	-	-	-	-	-	-	-	-	-	816	**816**
Corporate and Public Sector Lending	3,251	4,847	2,797	2,166	1,690	4,797	1,749	1,791	254	2,326	762	1,074	924	4,075	-	**32,502**
Large Corporate	3,166	1,112	743	1,350	1,611	547	-	1,791	254	884	2	890	514	1,705	-	**14,568**
SMEs	85	3,735	2,054	816	79	4,250	-	-	-	1,442	760	184	410	2,370	-	**16,186**
Public Sector							1,749									**1,749**
Financial assets at FVOCI	63	-	-	-	-	4	1,263	-	-	-	-	-	5	99	-	**1,435**
Debt secutities at amortised cost	-	-	-	-	-	-	1,121	-	-	-	-	-	-	-	-	**1,121**
Other assets - Financial Instruments	194	4	2	8	-	-	365	2	-	-	-	1	-	432	125	**1,133**
Total	**4,747**	**4,852**	**2,800**	**2,174**	**1,690**	**4,801**	**4,499**	**1,793**	**254**	**2,326**	**762**	**1,074**	**929**	**4,606**	**18,256**	**55,562**
Stage 1	3,243	1,700	453	713	1,543	1,500	4,394	1,232	95	1,006	269	994	156	1,539	6,827	**25,664**
Stage 2	102	321	197	141	28	272	27	59	30	382	38	14	42	343	2,819	**4,816**
Stage 3	1,356	2,231	1,667	1,034	113	2,139	75	501	128	718	352	63	648	1,907	4,991	**17,922**
POCI	46	600	482	287	7	889	3	0	-	220	103	4	83	818	3,619	**7,159**
Total	**4,747**	**4,852**	**2,800**	**2,174**	**1,690**	**4,801**	**4,499**	**1,793**	**254**	**2,326**	**762**	**1,074**	**929**	**4,606**	**18,256**	**55,562**

The gross carrying amount of Loans and advances for the Public sector of € 1,749 million at 31 December 2019 for the Bank includes the seasonal loan to Payment and Control Agency for Guidance and Guarantee Community AID ('OPEKEPE') of € 1,649 million (31 December 2018: € 1,616 million), which has been repaid in February 2020.

Bank	Gross carrying amounts - Industry sectors															
31/12/2018	Financial Institutions	Manufacturing / Handicraft	Construction	Real Estate Companies	Project Finance	Wholesale and retail trade	Public sector	Shipping Companies	Coastline/ Ferries Companies	Hotels	Agriculture	Energy	Transport & Logistics	Other industries	Individuals	Total
Due from banks	1,130	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**1,130**
Reverse repos with customers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	103	**103**
Loans and advances to customers at amortised cost	3,403	5,221	3,196	2,114	1,261	5,094	1,737	1,778	100	2,484	753	1,285	1,232	4,361	19,323	**53,342**
Retail lending	-	-	-	-	-	-	-	-	-	-	-	-	-	-	19,323	**19,323**
Mortgages	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14,521	**14,521**
Consumer, Personal and Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,859	**3,859**
Credit cards	-	-	-	-	-	-	-	-	-	-	-	-	-	-	942	**942**
Corporate and public sector lending	3,403	5,221	3,196	2,114	1,261	5,094	1,737	1,778	100	2,484	753	1,285	1,232	4,361	-	**34,019**
Large Corporate	3,252	1,287	909	1,119	1,147	664	-	1,778	100	881	38	1,068	709	1,713	-	**14,663**
SMEs	151	3,935	2,287	995	114	4,430	-	-	-	1,604	715	217	524	2,648	-	**17,618**
Public Sector	-	-	-	-	-	-	1,737	-	-	-	-	-	-	-	-	**1,737**
Financial assets at FVOCI	62	-	-	-	-	5	2,002	-	-	-	-	-	-	24	-	**2,093**
Debt securities at amortised cost	-	-	-	-	-	-	208	-	-	-	-	-	-	-	-	**208**
Other assets - Financial Instruments	60	1	-	8	-	-	326	1	-	-	-	1	-	650	115	**1,160**
Total	**4,656**	**5,222**	**3,196**	**2,122**	**1,261**	**5,099**	**4,274**	**1,778**	**100**	**2,484**	**753**	**1,285**	**1,232**	**5,034**	**19,540**	**58,036**
Stage 1	3,269	1,695	464	589	1,071	1,373	4,244	799	30	810	262	1,123	268	1,564	7,252	**24,813**
Stage 2	488	301	277	188	24	350	1	312	36	521	60	93	81	524	2,820	**6,075**
Stage 3	843	2,561	1,896	969	146	2,373	25	661	35	901	332	65	757	1,937	5,331	**18,831**
POCI	55	666	560	376	19	1,004	3	5	-	252	100	4	126	1,010	4,137	**8,317**
Total	**4,656**	**5,222**	**3,196**	**2,122**	**1,261**	**5,099**	**4,274**	**1,778**	**100**	**2,484**	**753**	**1,285**	**1,232**	**5,034**	**19,540**	**58,036**

The following table breaks down the nominal amounts of off-balance items per industry sector of the Group and the Bank's financial assets that are exposed to credit risk. The allocation has been made according to the business sector of each counterparty.

Group	Nominal Amounts of Off Balance Sheet Items - Industry sectors														
31/12/2019	Financial Institutions	Manufacturing / Handicraft	Construction	Real Estate Companies	Project Finance	Wholesale and retail trade	Public sector	Shipping Companies	Coastline/ Ferries Companies	Hotels	Agriculture	Energy	Transport & Logistics	Other industries	Individuals	Total
Letters of Guarantee	1,304	313	832	25	-	187	-	-	-	44	6	76	51	184	-	**3,022**
Letters of Credit	0	7	-	-	-	6	-	-	-	-	1	-	-	11	-	**25**
Irrevocable undrawn credit commitments	28	18	9	7	53	18	-	12	-	22	41	19	3	96	78	**405**
Balance at 31/12/2019	**1,332**	**338**	**841**	**32**	**53**	**212**	**0**	**12**	**0**	**65**	**49**	**96**	**54**	**291**	**78**	**3,452**
Stage 1	1,330	292	586	21	53	184	-	11	-	47	30	94	49	239	58	**2,995**
Stage 2	0	4	45	7	-	11	-	0	-	9	13	0	2	22	17	**132**
Stage 3	2	42	210	4	-	17	-	-	-	9	2	1	2	23	1	**313**
POCI	-	0	0	-	-	0	-	-	-	0	2	0	0	7	2	**12**
Total	**1,332**	**338**	**841**	**32**	**53**	**212**	**0**	**12**	**0**	**65**	**49**	**96**	**54**	**291**	**78**	**3,452**

Group	Nominal Amounts of Off Balance Sheet Items - Industry sectors														
31/12/2018	Financial Institutions	Manufacturing / Handicraft	Construction	Real Estate Companies	Project Finance	Wholesale and retail trade	Public sector	Shipping Companies	Coastline/ Ferries Companies	Hotels	Agriculture	Energy	Transport & Logistics	Other industries	Individuals	Total
Letters of Guarantee	1,087	284	821	23	-	184	-	-	-	56	6	94	52	181	-	**2,788**
Letters of Credit	0	8	-	-	-	11	-	-	-	-	0	-	-	15	-	**33**
Irrevocable undrawn credit commitments	38	10	10	23	16	27	0	9	-	96	41	38	5	82	74	**469**
Balance at 31/12/2018	**1,125**	**301**	**831**	**46**	**16**	**221**	**0**	**9**	**0**	**152**	**48**	**133**	**57**	**277**	**74**	**3,290**
Stage 1	1,123	254	552	35	16	199	0	9	-	127	31	130	55	221	59	**2,810**
Stage 2	1	3	56	7	-	3	-	-	-	13	12	2	1	28	13	**138**
Stage 3	2	44	223	4	-	19	-	-	-	12	2	1	1	23	1	**332**
POCI	-	0	-	-	-	0	-	-	-	0	2	0	0	6	1	**10**
Total	**1,125**	**301**	**831**	**46**	**16**	**221**	**0**	**9**	**0**	**152**	**48**	**133**	**57**	**277**	**74**	**3,290**

Bank	Nominal Amounts of Off Balance Sheet Items - Industry sectors															
31/12/2019	Financial Institutions	Manufacturing / Handicraft	Construction	Real Estate Companies	Project Finance	Wholesale and retail trade	Public sector	Shipping Companies	Coastline/ Ferries Companies	Hotels	Agriculture	Energy	Transport & Logistics	Other industries	Individuals	Total
Letters of Guarantee	1,428	313	832	107	-	185	-	-	-	44	6	76	51	192	-	**3,235**
Letters of Credit	0	7	-	-	-	4	-	-	-	-	1	-	-	11	-	**23**
Irrevocable undrawn credit commitments	86	18	9	7	53	18	-	12	-	22	41	19	3	96	77	**461**
Balance at 31/12/2019	**1,514**	**338**	**841**	**114**	**53**	**208**	**0**	**12**	**0**	**65**	**49**	**95**	**54**	**299**	**77**	**3,719**
Stage 1	1,512	292	586	104	53	180	-	11	-	47	30	94	49	247	57	**3,262**
Stage 2	0	4	45	7	-	11	-	0	-	9	13	0	2	22	17	**132**
Stage 3	2	42	210	4	-	17	-	-	-	9	2	1	2	23	1	**313**
POCI	-	0	0	-	-	0	-	-	-	0	2	0	0	7	2	**12**
Total	**1,514**	**338**	**841**	**114**	**53**	**208**	**0**	**12**	**0**	**65**	**49**	**95**	**54**	**299**	**77**	**3,719**

Bank	Nominal Amounts of Off Balance Sheet Items - Industry sectors															
31/12/2018	Financial Institutions	Manufacturing / Handicraft	Construction	Real Estate Companies	Project Finance	Wholesale and retail trade	Public sector	Shipping Companies	Coastline/ Ferries Companies	Hotels	Agriculture	Energy	Transport & Logistics	Other industries	Individuals	Total
Letters of Guarantee	1,224	284	821	106	-	180	-	-	-	56	6	94	52	189	-	**3,012**
Letters of Credit	0	8	-	-	-	9	-	-	-	-	0	-	-	15	-	**32**
Irrevocable undrawn credit commitments	83	10	10	23	16	27	0	9	-	96	41	38	5	82	72	**513**
Balance at 31/12/2018	**1,307**	**301**	**831**	**129**	**16**	**216**	**0**	**9**	**0**	**152**	**48**	**133**	**57**	**286**	**72**	**3,556**
Stage 1	1,305	254	552	118	16	193	0	9	-	127	31	130	55	229	57	**3,076**
Stage 2	1	3	56	7	-	3	-	-	-	13	12	2	1	28	13	**138**
Stage 3	2	44	223	4	-	19	-	-	-	12	2	1	1	23	1	**332**
POCI	-	0	-	-	-	0	-	-	-	0	2	0	0	6	1	**10**
Total	**1,307**	**301**	**831**	**129**	**16**	**216**	**0**	**9**	**0**	**152**	**48**	**133**	**57**	**286**	**72**	**3,556**

Other receivables from the Greek Public Sector

As at 31 December 2019 and 2018, the total carrying amount of the Group's and the Bank's receivables from the Greek Public Sector is as follows:

	Group		Bank	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Derivative financial instruments	398	306	398	306
Bonds and treasury bills at FVTPL	650	242	650	242
Loans and advances to Public sector at amortised cost	1,749	1,738	1,744	1,737
Bonds, treasury bills and other variable income securities at FVTOCI	1,263	2,002	1,263	2,002
Other assets	547	534	535	526
Total	**4,607**	**4,822**	**4,590**	**4,814**

4.8 Offsetting of financial assets and liabilities

According to the provisions of IFRS 7 "Financial Instruments: Disclosures", the impact or the possible impact of enforceable master netting agreements or similar agreements for financial instruments on the Statement of Financial Position of the Group and the Bank should be disclosed. More specifically, the disclosures should include the following:

i. The financial assets and liabilities, which are offset in accordance with the criteria of IAS 32 and the net amount is presented in the Statement of Financial Position, when there is a legally enforceable right and the intention to settle the net amounts or simultaneously collect the receivable and settle the obligation.

ii. The transactions which fall under International Swaps and Derivatives Association ("ISDA") contracts and similar master netting agreements irrespectively of whether these are offset or not in the Statement of Financial Position.

The Group and the Bank have not offset any financial assets or liabilities on 31 December 2019 and 2018, given that the netting criteria mentioned in the first case (i) are not fulfilled.

The following tables, present for the Group and the Bank the gross amounts of the financial instruments recognised as at 31 December 2019 and 2018, as well as the net effect on the Statement of Financial Position from the exercise of netting rights ("net amount") arising from ISDA contracts and similar master netting agreements. Therefore, these tables include mainly the following financial instruments: a) interest rate swap contracts ("IRSs"), cross currency interest rate swap contracts, fx forwards, currency swaps and options, for which there are ISDA contracts and b) interbank repos covered by Global Master Repurchase Agreement ("GMRA").

Group				Related amounts not offset in the Statement of Financial Position		
31/12/2019	Recognised financial assets (gross amounts)	Financial liabilities (offset amounts)	Net amount of financial assets	Recognized financial instruments and other non cash collateral received	Cash collateral received	Net amount
Financial Assets						
Derivative financial instruments	479	-	479	382	10	87
Reverse Repurchase agreements	93	-	93	93	-	-
Total	**572**	**0**	**572**	**475**	**10**	**87**

Group				Related amounts not offset in the Statement of Financial Position		
31/12/2019	Recognised financial liabilities (gross amounts)	Financial assets (offset amounts)	Net amount of financial liabilities	Recognized financial instruments and other non cash collateral pledged	Cash collateral pledged	Net amount
Financial Liabilities						
Derivative financial instruments	482	-	482	32	445	5
Repurchase agreements	2,394	-	2,394	2,392	2	-
Total	**2,876**	**0**	**2,876**	**2,424**	**447**	**5**

Group				Related amounts not offset in the Statement of Financial Position		
31/12/2018	Recognised financial assets (gross amounts)	Financial liabilities (offset amounts)	Net amount of financial assets	Recognized financial instruments and other non cash collateral received	Cash collateral received	Net amount
Financial Assets						
Derivative financial instruments	378	-	378	295	4	79
Reverse Repurchase agreements	128	-	128	25	103	-
Total	**506**	**0**	**506**	**320**	**107**	**79**

Group				Related amounts not offset in the Statement of Financial Position		
31/12/2018	Recognised financial liabilities (gross amounts)	Financial assets (offset amounts)	Net amount of financial liabilities	Recognized financial instruments and other non cash collateral pledged	Cash collateral pledged	Net amount
Financial Liabilities						
Derivative financial instruments	413	-	413	38	366	9
Repurchase agreements	2,050	-	2,050	2,048	1	1
Total	**2,462**	**0**	**2,462**	**2,086**	**367**	**10**

Bank				Related amounts not offset in the Statement of Financial Position		
31/12/2019	Recognised financial assets (gross amounts)	Financial liabilities (offset amounts)	Net amount of financial assets	Recognized financial instruments and other non cash collateral received	Cash collateral received	Net amount
Financial Assets						
Derivative financial instruments	479	-	479	382	10	87
Reverse Repurchase agreements	93	-	93	93	-	-
Total	**572**	**0**	**572**	**475**	**10**	**87**

Bank				Related amounts not offset in the Statement of Financial Position		
31/12/2019	Recognised financial liabilities (gross amounts)	Financial assets (offset amounts)	Net amount of financial liabilities	Recognized financial instruments and other non cash collateral pledged	Cash collateral pledged	Net amount
Financial Liabilities						
Derivative financial instruments	482	-	482	32	445	5
Repurchase agreements	2,394	-	2,394	2,392	2	-
Total	**2,876**	**0**	**2,876**	**2,424**	**447**	**5**

Bank				Related amounts not offset in the Statement of Financial Position		
31/12/2018	Recognised financial assets (gross amounts)	Financial liabilities (offset amounts)	Net amount of financial assets	Recognized financial instruments and other non cash collateral received	Cash collateral received	Net amount
Financial Assets						
Derivative financial instruments	380	-	380	295	4	82
Reverse Repurchase agreements	128	-	128	25	103	-
Total	**508**	**0**	**508**	**320**	**107**	**82**

Bank				Related amounts not offset in the Statement of Financial Position		
31/12/2018	Recognised financial liabilities (gross amounts)	Financial assets (offset amounts)	Net amount of financial liabilities	Recognized financial instruments and other non cash collateral pledged	Cash collateral pledged	Net amount
Financial Liabilities						
Derivative financial instruments	413	-	413	38	366	9
Repurchase agreements	2,219	-	2,219	2,217	1	1
Total	**2,632**	**0**	**2,632**	**2,256**	**367**	**10**

4.9 Market risk

Market risk is the current or prospective risk of loss due to adverse movements in the level or the volatility of market prices and rates, including interest rates, equity and commodity prices and foreign exchange rates.

The Risk Committee of the BoD has approved a market risk management policy that applies to the Group and the Bank and outlines the basic definitions of market risk management, and defines the roles and responsibilities of the units and executives involved. The Group and the Bank engage in moderate trading activities in order to enhance profitability and service its clientele. These trading activities create market risk, which the Group and the Bank seek to identify, estimate, monitor and manage effectively through a framework of principles, measurement processes and a valid set of limits that apply to all the Group and the Bank's transactions. The most significant types of market risk for the Group and the Bank are interest rates, equity and foreign exchange risk.

The Group and the Bank apply up to date, generally accepted techniques for the measurement of market risk. Specifically, sensitivity indicators such as PV01 (adverse impact to the net present value of all balance sheet items for a 1 basis point parallel move in the yield curve for all currencies) as well as Value-at-Risk (VaR incorporates all risk factors) are calculated.

For every activity, that bears market risk, the Group and the Bank have assigned adequate market risk limits, and these are monitored systematically. Market risk management is not confined to trading book activities, but covers the Statement of Financial Position as a whole.

The Value-at-Risk measure is an estimate of the potential loss in the net present value of a portfolio, over a specified period and with a specified confidence level. The Group and the Bank implement the following three methods for the calculation of Value at Risk:

Method A: the parametric Value-at-Risk methodology, assuming a one-day holding period and utilizing a 99% confidence level, with historic observations of two years and equal weighting between observations,

Method B: the parametric Value-at-Risk methodology, assuming a one-day holding period and utilizing a 99% confidence level, using market data that give more weight to recent observations (exponentially weighted moving average volatilities and correlations, λ=0.94) and

Method C: the parametric Value-at-Risk methodology using volatilities and correlations gathered during a crisis period (Stressed Value-at-Risk), while the estimate is assessed on current positions.

As the Value-at-Risk methodology does not evaluate the risk attributable to extraordinary financial or other occurrences, the risk assessment process includes a number of stress scenarios. The stress scenarios are based on the primary risk factors that can change the value of the balance sheet's figures.

The Group and the Bank test the validity of the Value-at-Risk estimates, by conducting a relevant back-testing program on the Group and the Bank's trading book VaR, through the comparison of the Value-at-Risk estimate against the actual change in the value of the portfolio, due to the changes in market prices on a daily basis.

The Value-at-Risk estimate for the Group and the Bank's Trading Book as at 31 December 2019 amounted to € 3.5 million. This estimate comprises € 3.5 million for interest rate risk and € 0.2 million for foreign exchange risk, reduced by € 0.2 million due to the diversification effect in the portfolio as at 31 December 2019.

The Value-at-Risk estimate for the Group and the Bank's Trading Book as at 31 December 2018 was € 1.5 million. This estimate comprises € 1.5 million for interest rate risk and € 0.1 million for foreign exchange risk, reduced by € 0.1 million, due to the diversification effect in the portfolio as at 31 December 2018.

As at 31 December 2019, the Group trading book VaR increased due to an increased position in Greek Government Bonds & Treasury Bills amounting to € 247 million.

The table below summarizes the VaR calculation. The VaR measure in the table below is calculated using the method A as described previously.

Group - Amounts in € million	Piraeus Bank Trading Book Group - Total VaR	VaR Interest Rate Risk	VaR Equity Risk	VaR Foreign Exchange Risk	VaR Commodities Risk	Diversification Effect
2019	3.5	3.5	0.0	0.2	0.0	-0.2
2018	1.5	1.5	0.0	0.1	0.0	-0.1

4.10 Currency risk

The Group and the Bank are exposed to effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. Management sets limits on the level of exposure by currency, which are monitored daily. The tables below summarise the Group's and the Bank's exposure to foreign currency exchange risk as at 31 December 2019 and 2018. The tables include the Group's and the Bank's assets and liabilities at carrying amounts categorised by currency and the positions on derivatives at notional amounts categorized by currency, which reduce significantly the undertaken foreign currency exchange risk:

Group - At 31/12/2019	EUR	USD	GBP	JPY	CHF	Other currencies	Total
Assets							
Cash and balances with central banks	3,278	16	6	0	2	47	3,349
Due from banks	1,093	105	15	8	44	42	1,307
Financial assets at FVTPL	661	2	-	-	-	-	663
Financial assets mandatorily at FVTPL	127	5	-	-	-	-	131
Derivative financial instruments (notional amounts)	2,218	107	84	18	32	288	2,746
Reverse repos with customers	38	-	-	-	-	-	38
Loans and advances to customers at amortised cost	35,706	2,138	5	11	1,212	88	39,162
Loans and advances to customers mandatorily at FVTPL	51	-	-	-	-	0	51
Financial assets at FVTOCI	1,523	122	-	-	-	1	1,647
Debt securities at amortised cost	1,121	-	-	-	-	-	1,121
Assets held for sale	264	-	-	-	-	0	264
Investment property	1,032	-	-	-	-	80	1,112
Investments in subsidiaries	-	-	-	-	-	-	-
Investments in associated undertakings and joint ventures	264	0	-	-	-	-	264
Property and equipment	1,039	-	-	-	-	5	1,044
Intangible assets	287	-	0	-	-	1	287
Current tax assets	206	-	-	-	-	0	206
Deferred tax assets	6,476	-	-	-	-	2	6,478
Other assets	3,381	9	2	(0)	3	127	3,521
Assets from discontinued operations	108	-	-	-	-	-	108
Total assets	**58,872**	**2,504**	**112**	**38**	**1,293**	**680**	**63,499**
Liabilities							
Due to banks	3,223	65	3	-	5	0	3,296
Due to customers	45,273	1,640	109	1	15	313	47,351
Liabilities at FVTPL	(0)	-	-	-	-	-	(0)
Derivative financial instruments (notional amounts)	395	781	1	37	1,277	252	2,744
Debt securities in issue	481	-	-	-	-	-	481
Other borrowed funds	414	-	-	-	-	-	414
Current income tax liabilities	9	-	-	-	-	0	9
Deferred tax liabilities	31	-	-	-	-	1	32
Retirement benefit obligations	130	-	-	-	-	0	130
Provisions	172	0	-	0	0	1	173
Other liabilities	1,077	3	1	(0)	(18)	7	1,071
Liabilities from discontinued operations	19	-	-	-	-	-	19
Total liabilities	**51,225**	**2,490**	**113**	**38**	**1,280**	**574**	**55,720**
Derivative financial instruments - fair value adjustment	**(5)**	**0**	**0**	**0**	**0**	**0**	**(5)**
Foreign currency exposure	**7,642**	**14**	**(2)**	**(0)**	**14**	**105**	**7,773**

Group - At 31/12/2018	EUR	USD	GBP	JPY	CHF	Other currencies	Total
Assets							
Cash and balances with central banks	2,509	18	6	0	2	38	2,572
Due from banks	923	79	25	8	45	40	1,120
Financial assets at FVTPL	382	0	-	-	-	-	382
Financial assets mandatorily at FVTPL	106	4	-	-	-	-	110
Derivative financial instruments (notional amounts)	2,872	200	51	18	267	311	3,719
Reverse repos with customers	103	-	-	-	-	-	103
Loans and advances to customers at amortised cost	36,002	2,264	38	67	1,299	87	39,757
Loans and advances to customers mandatorily at FVTPL	84	0	-	-	-	0	84
Financial assets at FVTOCI	2,183	83	-	-	-	4	2,270
Debt securities at amortised cost	208	-	-	-	-	-	208
Assets held for sale	304	-	-	-	-	3	307
Investment property	1,017	-	-	-	-	62	1,079
Investments in associated undertakings and joint ventures	162	-	-	-	-	-	162
Property and equipment	1,002	-	-	-	-	8	1,010
Intangible assets	292	-	0	-	-	0	292
Current tax assets	221	-	-	-	-	0	221
Deferred tax assets	6,645	-	-	-	-	2	6,647
Other assets	3,293	5	2	(0)	2	156	3,458
Assets from discontinued operations	856	52	7	0	7	799	1,721
Total assets	**59,161**	**2,705**	**128**	**93**	**1,622**	**1,511**	**65,221**
Liabilities							
Due to banks	5,506	39	1	0	1	1	5,548
Due to customers	42,864	1,471	99	1	13	290	44,739
Liabilities at FVTPL	62	-	-	-	-	-	62
Derivative financial instruments (notional amounts)	706	1,096	20	93	1,611	198	3,723
Debt securities in issue	528	-	-	-	-	-	528
Current income tax liabilities	2	-	-	-	-	0	2
Deferred tax liabilities	32	-	-	-	-	1	32
Retirement benefit obligations	192	-	-	-	-	0	192
Provisions	167	0	-	-	-	1	168
Other liabilities	875	3	1	(0)	0	7	885
Liabilities from discontinued operations	809	101	10	0	1	884	1,804
Total liabilities	**51,743**	**2,710**	**130**	**94**	**1,626**	**1,382**	**57,685**
Derivative financial instruments - fair value adjustment	**(31)**	**0**	**0**	**0**	**0**	**0**	**(31)**
Foreign currency exposure	**7,387**	**(5)**	**(1)**	**(0)**	**(5)**	**130**	**7,506**

Bank - At 31/12/2019	EUR	USD	GBP	JPY	CHF	Other currencies	Total
Assets							
Cash and balances with central banks	3,275	15	6	0	2	16	3,314
Due from banks	1,042	97	15	8	44	33	1,239
Financial assets at FVTPL	654	-	-	-	-	-	654
Financial assets mandatorily at FVTPL	127	5	-	-	-	-	131
Derivative financial instruments (notional amounts)	2,218	107	84	18	32	288	2,746
Reverse repos with customers	38	-	-	-	-	-	38
Loans and advances to customers at amortised cost	36,371	2,138	6	11	1,204	70	39,801
Loans and advances to customers mandatorily at FVTPL	51	-	-	-	-	-	51
Financial assets at FVTOCI	1,523	122	-	-	-	-	1,646
Debt securities at amortised cost	1,121	-	-	-	-	-	1,121
Assets held for sale	259	-	-	-	-	-	259
Investment property	447	-	-	-	-	-	447
Investments in subsidiaries	565	0	1	-	-	20	586
Investments in associated undertakings and joint ventures	255	-	-	-	-	-	255
Property and equipment	980	-	-	-	-	-	980
Intangible assets	248	-	-	-	-	-	248
Current tax assets	202	-	-	-	-	-	202
Deferred tax assets	6,439	-	-	-	-	-	6,439
Other assets	3,081	9	2	(0)	3	24	3,118
Total assets	**58,895**	**2,493**	**113**	**38**	**1,285**	**451**	**63,275**
Liabilities							
Due to banks	3,204	65	3	-	5	0	3,277
Due to customers	45,555	1,619	109	1	15	274	47,572
Liabilities at FVTPL	(0)	-	-	-	-	-	(0)
Derivative financial instruments (notional amounts)	395	781	1	37	1,277	252	2,744
Debt securities in issue	481	-	-	-	-	-	481
Other borrowed funds	412	-	-	-	-	-	412
Current income tax liabilities	-	-	-	-	-	-	-
Deferred tax liabilities	-	-	-	-	-	-	-
Retirement benefit obligations	125	-	-	-	-	-	125
Provisions	165	0	-	0	0	-	165
Other liabilities	953	3	1	(0)	(18)	0	939
Total liabilities	**51,290**	**2,468**	**114**	**38**	**1,280**	**526**	**55,716**
Derivative financial instruments - fair value adjustment	**(5)**	**0**	**0**	**0**	**0**	**0**	**(5)**
Foreign currency exposure	**7,599**	**25**	**(1)**	**(0)**	**5**	**(75)**	**7,553**

Bank - At 31/12/2018	EUR	USD	GBP	JPY	CHF	Other currencies	Total
Assets							
Cash and balances with central banks	2,508	17	6	0	2	16	2,548
Due from banks	947	75	25	8	45	30	1,130
Financial assets at FVTPL	372	-	-	-	-	-	372
Financial assets mandatorily at FVTPL	106	4	-	-	-	-	110
Derivative financial instruments (notional amounts)	2,865	199	51	18	272	311	3,717
Reverse repos with customers	103	-	-	-	-	-	103
Loans and advances to customers at amortised cost	36,852	2,227	39	67	1,297	75	40,557
Loans and advances to customers mandatorily at FVTPL	84	-	-	-	-	-	84
Financial assets at FVTOCI	2,180	83	-	-	-	-	2,262
Debt securities at amortised cost	208	-	-	-	-	-	208
Assets held for sale	428	-	-	-	-	-	428
Investment property	418	-	-	-	-	-	418
Investments in subsidiaries	582	3	1	-	-	17	602
Investments in associated undertakings and joint ventures	179	-	-	-	-	-	179
Property and equipment	877	-	-	-	-	-	877
Intangible assets	252	-	-	-	-	-	252
Current tax assets	218	-	-	-	-	0	218
Deferred tax assets	6,600	-	-	-	-	-	6,600
Other assets	3,044	10	2	(0)	2	33	3,092
Total assets	**58,822**	**2,619**	**123**	**93**	**1,619**	**483**	**63,757**
Liabilities							
Due to banks	5,768	88	4	0	1	2	5,862
Due to customers	43,091	1,457	99	1	13	258	44,919
Liabilities at FVTPL	62	-	-	-	-	-	62
Derivative financial instruments (notional amounts)	706	1,102	20	93	1,611	199	3,731
Debt securities in issue	528	-	-	-	-	-	528
Other borrowed funds	-	-	-	-	-	-	-
Current income tax liabilities	-	-	-	-	-	-	-
Deferred tax liabilities	-	-	-	-	-	-	-
Retirement benefit obligations	187	-	-	-	-	-	187
Provisions	160	-	-	-	-	-	160
Other liabilities	727	5	1	(0)	0	3	736
Total liabilities	**51,229**	**2,652**	**123**	**94**	**1,625**	**461**	**56,184**
Derivative financial instruments - fair value adjustment	**(19)**	**0**	**0**	**0**	**0**	**0**	**(19)**
Foreign currency exposure	**7,574**	**(34)**	**(0)**	**(1)**	**(7)**	**22**	**7,554**

4.11 Interest rate risk

Interest rate risk is the risk of a negative impact on the Group and the Bank’s financial position due to its exposure to interest rates fluctuations and could be an important source of profitability and shareholder value.

Changes in interest rates affect the Group and the Bank's profitability by changing its Net Interest Income and the level of the other interest - sensitive income and expenses.

Changes in interest rates also affect the underlying value of the Group and the Bank's assets and liabilities because the present value of future cash flows (and in some cases, the cash flows themselves) changes when interest rates also change. Accordingly, an effective interest rate risk management process that assesses, monitors and helps maintain interest rate risk within prudent levels (through effective hedging, where relevant), is essential for the safety and soundness of the Group and the Bank's financial performance.

The Group and the Bank apply an Interest Rate Risk Management Policy applying various valuation techniques that mainly rely on maturity and repricing schedules (Interest Rate Gap analysis).

As it is presented in the below tables, interest rate gap analysis is a maturity/ repricing schedule that distributes interest-sensitive assets and liabilities into a certain number of predefined time bands, according to their maturity (for fixed-rate instruments) or time remaining to their next repricing (for floating-rate instruments).

Those assets and liabilities lacking actual maturities (e.g. open accounts) or definitive repricing intervals (e.g. sight deposits or savings accounts) are assigned to the time band up to one month.

Assets and liabilities in foreign currency are translated into Euro using the FX rates at the reporting date.

Group - 31/12/2019	Up to 1 month	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Non-interest bearing	Total
Financial assets							
Cash and balances with Central Banks	3,339	0	0	0	-	10	3,349
Due from banks	1,192	70	21	-	-	24	1,307
Financial assets at FVTPL	16	42	33	70	494	8	663
Financial assets mandatorily at FVTPL	-	-	-	13	2	117	131
Reverse repos with customers	9	16	13	-	-	-	38
Loans and advances to customers	21,667	6,501	5,158	4,969	846	71	39,213
Financial assets at FVTOCI	70	142	321	190	714	210	1,647
Debt securities at amortised cost	-	-	-	413	708	-	1,121
Other assets	0	0	6	1	0	932	940
Total financial assets	**26,293**	**6,772**	**5,552**	**5,656**	**2,765**	**1,372**	**48,409**
Financial liabilities							
Due to banks	2,011	907	24	355	-	-	3,296
Due to customers	36,430	5,939	4,937	2	0	43	47,351
Debt securities in issue	481	-	-	-	-	-	481
Other borrowed funds	-	-	-	414	-	-	414
Other liabilities	0	1	4	1	-	1,065	1,071
Total financial liabilities	**38,923**	**6,846**	**4,965**	**772**	**0**	**1,107**	**52,613**
Net notional amount of derivative financial instruments	**2**	**(39)**	**(2)**	**(2)**	**(2)**		**(44)**
Total interest rate gap	**(12,628)**	**(114)**	**585**	**4,882**	**2,762**	**264**	**(4,247)**

Group - 31/12/2018	Up to 1 month	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Non-interest bearing	Total
Financial assets							
Cash and balances with Central Banks	2,566	0	0	-	-	6	2,572
Due from banks	979	31	87	-	-	24	1,120
Financial assets at FVTPL	61	62	60	98	91	10	382
Financial assets mandatorily at FVTPL	-	-	-	-	16	94	110
Reverse repos with customers	35	39	29	-	-	-	103
Loans and advances to customers	22,342	6,550	4,770	5,204	909	66	39,841
Financial assets at FVTOCI	367	321	794	152	463	172	2,270
Debt securities at amortised cost	-	-	-	203	5	-	208
Other assets	0	0	5	0	-	900	906
Total financial assets	**26,351**	**7,002**	**5,745**	**5,657**	**1,486**	**1,272**	**47,512**
Financial liabilities							
Due to banks	3,279	1,229	36	1,005	-	-	5,548
Due to customers	34,732	5,058	4,847	2	0	100	44,739
Liabilities at FVTPL	-	6	0	35	21	-	62
Debt securities in issue	494	34	-	-	-	-	528
Other liabilities	0	0	7	22	12	844	885
Total financial liabilities	**38,505**	**6,326**	**4,891**	**1,063**	**32**	**944**	**51,762**
Net notional amount of derivative financial instruments	**(12)**	**(26)**	**(3)**	**(19)**	**(15)**		**(76)**
Total interest rate gap	**(12,166)**	**650**	**851**	**4,575**	**1,438**	**327**	**(4,325)**

Bank - 31/12/2019	Up to 1 month	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Non - interest bearing	Total
Financial assets							
Cash and balances with Central Bank	3,314	-	-	-	-	-	3,314
Due from banks	1,164	73	2	-	-	-	1,239
Financial assets at FVTPL	16	42	31	70	494	-	654
Financial assets mandatorily at FVTPL	-	-	-	13	2	117	131
Reverse repos with customers	9	16	13	-	-	-	38
Loans and advances to customers	21,281	7,586	5,233	4,959	792	-	39,851
Financial assets at FVTOCI	70	142	320	190	714	210	1,646
Debt securities at amortised cost	-	-	-	413	708	-	1,121
Other assets	-	-	-	-	-	962	962
Total financial assets	**25,853**	**7,859**	**5,600**	**5,644**	**2,710**	**1,289**	**48,955**
Financial liabilities							
Due to banks	2,010	895	23	350	-	-	3,277
Due to customers	36,664	5,935	4,929	2	-	42	47,572
Debt securities in issue	481	-	-	-	-	-	481
Other borrowed funds	-	-	-	412	-	-	412
Other liabilities	-	-	-	-	-	939	939
Total financial liabilities	**39,154**	**6,830**	**4,952**	**764**	**0**	**982**	**52,682**
Net notional amount of derivative financial instruments	**2**	**(39)**	**(2)**	**(2)**	**(2)**		**(44)**
Total interest rate gap	**(13,299)**	**990**	**646**	**4,878**	**2,707**	**307**	**(3,771)**

Bank - 31/12/2018	Up to 1 month	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Non interest bearing	Total
Financial assets							
Cash and balances with Central Bank	2,548	-	-	-	-	-	2,548
Due from banks	1,010	121	-	-	-	-	1,130
Financial assets at FVTPL	61	62	60	98	91	-	372
Financial assets mandatorily at FVTPL	-	-	-	-	16	94	110
Reverse repos with customers	35	39	29	-	-	-	103
Loans and advances to customers	22,204	7,379	4,936	5,206	916	-	40,640
Financial assets at FVTOCI	364	321	792	152	463	170	2,262
Debt securities at amortised cost	-	-	-	203	5	-	208
Other assets	-	-	-	-	-	997	997
Total financial assets	**26,221**	**7,922**	**5,816**	**5,659**	**1,493**	**1,260**	**48,371**
Financial liabilities							
Due to banks	3,598	1,229	35	1,000	-	-	5,862
Due to customers	34,915	5,059	4,843	2	-	100	44,919
Liabilities at FVTPL	-	6	0	35	21	-	62
Debt securities in issue	494	34	-	-	-	-	528
Other liabilities	-	-	-	-	-	736	736
Total financial liabilities	**39,007**	**6,328**	**4,878**	**1,037**	**21**	**836**	**52,106**
Net notional amount of derivative financial instruments	**(12)**	**(26)**	**(3)**	**(19)**	**(15)**		**(76)**
Total interest rate gap	**(12,798)**	**1,568**	**935**	**4,603**	**1,456**	**425**	**(3,811)**

The Group and the Bank calculate any change in the net present value of on balance-sheet items in response to a change in interest rates, assuming parallel yield curve shifts (PV01).

Interest rate gap analysis enables the evaluation of interest rate risk using the "Earnings-at-Risk" measure, which denotes the negative effect on the expected annual interest income, as a result of a parallel shift in interest rates for all currencies considered.

For Earnings-at-Risk and PV01, Management has assigned adequate limits, which are monitored on a regular basis.

Management assesses on a regular basis, the impact of a change in the credit spread, for issuers of government and corporate debt, for the Group and the Bank's bond portfolio.

Management evaluates potential financial losses under stressful market conditions. Possible stress scenarios include abrupt changes in the level of interest rates, changes in the slope and the shape of the yield curves, or changes in the volatility of market rates.

4.12 Liquidity risk

Management acknowledges that effective Liquidity Risk Management is essential to the Group's ability to meet its liabilities, while also safeguarding its financial results and its capital. Liquidity risk is defined as the risk arising from the Bank's inability to meet its cash flow obligations when they come due, without incurring unacceptable costs or losses at all times, including under stress.

The Group applies a uniform Liquidity Risk Management Policy for the effective management of liquidity risk, approved by the Board Risk Management Committee. This policy complies with the supervisory regulations and is consistent with best practices applied internationally.

The policy specifies the principal liquidity risk assessment definitions and methodologies, defines the roles and responsibilities of the Bank's Units, Group subsidiaries and staff involved and sets out the guidelines for liquidity crisis management. In order to manage liquidity risk effectively, Management monitors, inter alia, the amount, quality and composition/diversification of its liquid assets, the cash flow analysis of its assets and liabilities (inflows, outflows) in time buckets, the composition/diversification and cost of its funding sources, the composition/diversification and funding capacity of its unencumbered collateral and its funding needs in local and foreign currencies.

Furthermore, the policy defines a contingency funding plan to be used in the case of a liquidity crisis. Such a crisis can take place either due to an event specific to the Bank or due to a market-driven event. Triggers and early warning signals prescribed within the contingency funding plan serve as indicators for its realisation.

The Bank and the Group LCR and NSFR are calculated on a monthly and quarterly basis, respectively, as per regulation (EU) No. 575/2013. As of 31 December 2019, both the LCR and the NSFR exceeded the minimum regulatory threshold of 100%.

Under Directive 2013/36/EU (known as CRD IV), which has been transported into Greek Law by virtue of Greek Law 4261/2014, credit institutions are required to have comprehensive strategies, procedures, policies and systems to ensure adequate monitoring of liquidity risk. In accordance with the said Directive, the Bank submitted in 2019 to the SSM, its annual ILAAP report, which includes the rules governing the management of liquidity risk and the main results of current and future liquidity position assessments for the Bank and the Group. In addition, within the ICAAP and ILAAP framework, Management examined stress test scenarios and assessed their impact on the Bank's and the Group's liquidity position and on mandatory liquidity ratios.

Contractual undiscounted cash flows

The contractual undiscounted cash flows of non-derivative financial liabilities and irrevocable undrawn credit commitments are presented in the tables below. Liquidity risk arising from derivative liabilities is not considered significant.

Group 31/12/2019	Up to 1 month	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Total
Due to banks	1,953	828	21	424	79	3,305
Due to customers	36,417	5,893	5,001	63	0	47,373
Debt securities in issue	1	-	8	492	14	515
Other borrowed funds	-	-	39	558	-	597
Other liabilities	50	116	114	88	51	419
Total	**38,421**	**6,837**	**5,183**	**1,624**	**144**	**52,209**
Irrevocable undrawn credit commitments	2	6	10	143	244	**405**

Group 31/12/2018	Up to 1 month	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Total
Due to banks	3,225	1,168	15	1,081	70	5,558
Due to customers	35,048	4,991	4,915	75	0	45,029
Liabilities at FVTPL	-	6	0	35	21	62
Debt securities in issue	3	0	9	507	57	576
Other liabilities	621	48	92	132	13	906
Total	**38,897**	**6,213**	**5,031**	**1,829**	**161**	**52,131**
Irrevocable undrawn credit commitments	2	0	7	195	265	**469**

Bank 31/12/2019	Up to 1 month	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Total
Due to banks	1,952	816	20	419	79	3,286
Due to customers	36,650	5,889	4,993	63	-	47,594
Debt securities in issue	1	-	8	492	14	515
Other borrowed funds	-	-	39	556	-	595
Other liabilities	42	119	91	82	56	390
Total	**38,645**	**6,824**	**5,151**	**1,612**	**149**	**52,380**
Irrevocable undrawn credit commitments	0	6	10	201	244	**461**

Bank 31/12/2018	Up to 1 month	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Total
Due to banks	3,544	1,168	14	1,076	70	5,871
Due to customers	35,001	4,988	4,909	75	-	44,973
Liabilities at FVTPL	-	6	0	35	21	62
Debt securities in issue	3	0	9	507	63	582
Other liabilities	629	-	-	107	-	736
Total	**39,177**	**6,162**	**4,932**	**1,800**	**154**	**52,225**
Irrevocable undrawn credit commitments	0	0	7	240	265	**513**

4.13 Transfers of financial assets

As of 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 recognised liabilities are presented in the following tables:

31/12/2019	Transferred assets		Associated liabilities	
	Carrying amount		Carrying amount	
	Group	Bank	Group	Bank
Financial assets at FVTPL	490	490	397	397
Loans and advances to customers	6,571	6,571	1,029	1,029
Financial assets at FVTOCI	909	909	705	705
Debt securities at amortised cost	1,121	1,121	1,083	1,083
Total	**9,091**	**9,091**	**3,213**	**3,213**

31/12/2018	Transferred assets		Associated liabilities	
	Carrying amount		Carrying amount	
	Group	Bank	Group	Bank
Financial assets at FVTPL	252	275	225	243
Loans and advances to customers	8,421	8,421	4,114	4,114
Financial assets at FVTOCI	1,149	1,316	957	1,093
Debt securities at amortised cost	208	208	198	198
Total	**10,031**	**10,220**	**5,493**	**5,648**

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, which are conducted under GMRAs. 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. The Group is unable to use, sell or pledge the aforementioned assets during the term of the transaction and remains exposed to interest rate risk and credit risk on these assets. The counterparty's recourse is not limited to the transferred assets.

The Group has not 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 derecognized in full, but continuing involvement exists.

4.14 Financial assets and liabilities not measured at fair value

The following table summarises the fair values and carrying amounts of those financial instruments, which are not measured at fair value on a recurring basis, and their fair value could be materially different from their carrying amount.

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	39,162	38,893	-	-	38,893
Debt securities at amortised cost	1,121	1,191	1,191	-	-
Financial liabilities					
Debt securities in issue	481	494	-	494	-
Other borrowed funds	414	425	425	-	-

Group	Carrying Amount	Fair Value			
	31/12/2018	31/12/2018	Level 1	Level 2	Level 3
Financial assets					
Loans and advances to customers	39,757	39,495	-	-	39,495
Debt securities at amortised cost	208	213	-	213	-
Financial liabilities					
Debt Securities in Issue	528	516	-	516	-
Other borrowed funds	-	-	-	-	-

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	39,801	39,611	-	-	39,611
Debt securities at amortised cost	1,121	1,191	1,191	-	-
Financial liabilities					
Debt securities in issue	481	494	-	494	-
Other borrowed funds	412	423	423	-	-

Bank	Carrying Amount 31/12/2018	Fair Value 31/12/2018	Level 1	Level 2	Level 3
Financial assets					
Loans and advances to customers	40,557	40,369	-	-	40,369
Debt securities at amortised cost	208	213	-	213	-
Financial liabilities					
Debt Securities in Issue	528	516	-	516	-
Other borrowed funds	-	-	-	-	-

The following methods and assumptions were used to estimate the fair values of the aforementioned financial instruments at 31 December 2019 and 2018.

Loans and advances to customers at amortised cost: Fair value is estimated using discounted cash flow models, taking into account yield curves observable in the market as of the date of the valuation and adjustments for credit risk.

Debt securities at amortised cost, debt securities in issue and other borrowed funds: Fair value is estimated using market prices, or, if such is not available, using discounted cash flow models based on current market interest rates offered for instruments with similar credit quality and duration.

4.15 Financial assets and liabilities measured at fair value

Fair value is the price that would be received to sell a financial asset or paid to transfer a liability in an orderly transaction between market participants, at the measurement date, under current market conditions.

IFRS 13 establishes a fair value hierarchy that categorises financial instruments into three levels based on the inputs used in valuation technique, as follows:

Level 1 inputs comprise unadjusted quoted prices in active markets for identical assets and liabilities that the entity can access at the measurement date. Level 1 assets and liabilities include debt and equity securities, as well as derivative contracts that are traded in an active and organized market structure (i.e. Exchange listed futures and options). An active market is a market in which transactions for assets or liabilities take place with sufficient frequency and volume to provide information on an ongoing basis and are characterized by low bid/ask spreads.

Level 2 inputs comprise observable inputs other than Level 1 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 substantially the full term of the instrument subject to fair value measurement. An input is observable if it is developed using market data, such as publicly available information about events or transactions, and reflects the assumptions that market participants would use when pricing the asset or liability. Level 2 assets and liabilities include OTC derivatives and securities whose values are determined using pricing models, discounted cash flow methodologies, or similar techniques with inputs that are observable in the market.

Level 3 inputs refer to unobservable inputs, including the entity's own data which are adjusted, if necessary, to reflect the assumptions market participants would use in the circumstances. An input is unobservable if, in the absence of market data availability, it is developed using the best information available about the assumptions that market participants would use when pricing the asset or liability. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques with inputs that require significant management judgement or estimation. OTC complex derivatives transactions or structured securities, which are valued using a non-market standard model, comprising substantial model uncertainty, are classified as level 3 instrument.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. The level of the fair value hierarchy within which the fair value measurement is categorized, is determined on the basis of the lowest input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input as well as model uncertainty are assessed against the entire fair value measurement of the instrument.

The following tables present the fair value of the financial assets and liabilities measured at fair value on a recurring basis, by fair value hierarchy level, as at 31 December 2019 and 2018:

Group	Financial instruments measured at fair value ans bases on valuation							
	31/12/2019				31/12/2018			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Derivative financial instruments	-	479	-	**479**	-	372	6	**378**
Financial assets at FVTPL	647	16	0	**663**	382	0	0	**382**
Financial assets mandatorily at FVTPL	78	0	53	**131**	59	0	52	**110**
Loans and advances to customers mandatorily at FVTPL	-	-	51	**51**	-	-	84	**84**
Financial assets at FVTOCI	1,426	129	92	**1,647**	2,137	51	81	**2,270**
Financial liabilities								
Derivative financial instruments	-	482	-	**482**	-	413	-	**413**
Liabilities at FVTPL	-	-	-	**0**	62	-	-	**62**

Bank	Financial instruments measured at fair value ans bases on valuation							
	31/12/2019				31/12/2018			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Derivative financial instruments	-	479	-	**479**	-	372	8	**380**
Financial assets at FVTPL	637	16	0	**654**	372	0	0	**372**
Financial assets mandatorily at FVTPL	78	0	53	**131**	59	0	52	**110**
Loans and advances to customers mandatorily at FVTPL	-	-	51	**51**	-	-	84	**84**
Financial assets at FVTOCI	1,425	129	92	**1,646**	2,133	51	79	**2,262**
Financial liabilities								
Derivative financial instruments	-	482	-	**482**	-	413	-	**413**
Liabilities at FVTPL	-	-	-	**0**	62	-	-	**62**

Transfers between Level 1 and Level 2

As at 31 December 2019 and 2018, there are no transfers of financial assets or liabilities between Level 1 and Level 2 according to the Group fair value hierarchy policy. Transfers between levels are deemed to have occurred at the end of the reporting period in which the instruments were transferred.

Level 3 financial instruments

Level 3 financial instruments include:

a) Credit impaired loans and advances to customers, which are mandatorily measured at FVTPL because their contractual cash flows are not SPPI, valued using an income approach expected cash flow (expected present value) technique incorporating unobservable inputs.

b) Bonds mandatorily at FVTPL, including contingent consideration in the form of a performance note payable to the Bank based on the EBITDA of (i) Intrum Hellas Credit Servicing S.A.; (ii) Intrum Hellas REO Solutions; and (iii) any of their affiliates for a specified period of time after closing, of par value € 32 million, issued by Intrum Holding Spain S.A.U. and acquired by the Bank in the context of the Intrum Transaction, for which the models used to estimate their fair value utilize significant unobservable inputs (e.g. discount rate, volatility, expected cash flows etc.). The fair value of the contingent consideration asset has been estimated by independent qualified fair value specialists.

c) Equity securities at FVTOCI and FVTPL, which are not traded in active markets and their fair value is estimated on the basis of the available information using an income or market approach, for which the main inputs used such as earnings forecasts, comparable multiples, net asset value, adjusted equity and other parameters which are not market observable, as well as estimations that may adjust these values.

d) Mutual funds and closed end funds, which do not meet the definition of an equity instrument under IAS 32 and are mandatorily measured at FVTPL, for which the models used to estimate the fair value is price-based and the price is obtained from the fund manager.

e) Contingent convertible instruments for which the trigger of conversion to equity is based on non-market observable triggers. (e.g Balance Sheet or Regulatory capital)

During 2019 and 2018, there were no transfers into or out of Level 3. The following table presents a reconciliation of all Level 3 fair value measurements for the year ended 31 December 2019 and 2018 of the Group and the Bank.

Group	Reconciliation of Level 3 instruments				
	Financial assets mandatorily at FVTPL	Loans and advances to customers mandatorily at FVTPL	Financial assets at FVTOCI	Derivative financial instruments - assets	Derivative financial instruments - liabilities
Opening balance as at 1/1/2018	**63**	**107**	**116**	**4**	**25**
Gain/ (loss) recognized in the income statement	(5)	(14)	(0)	1	(25)
Gain/(loss) recognized in OCI	-	-	24	-	-
Purchases	-	-	32	-	-
Disposals/ Settlements	(1)	(0)	(89)	-	-
Transferred to other assets	(5)	-	-	-	-
Transferred to discontinued operations	-	-	(1)	-	-
Transferred to Held for sale	-	(10)	-	-	-
Closing Balance as at 31/12/2018	**52**	**84**	**81**	**6**	**0**
Gain/ (loss) recognized in the income statement	(11)	(3)	2	(6)	-
Gain/(loss) recognized in OCI	-	-	8	-	-
Purchases	13	-	5	-	-
Transferred to held for sale	-	(11)	-	-	-
Disposals/ Settlements	(1)	(19)	(5)	-	-
Closing Balance as at 31/12/2019	**53**	**51**	**92**	**0**	**0**

Bank	Reconciliation of Level 3 Instruments				
	Financial assets mandatorily at FVTPL	Loans and advances to customers mandatorily at FVTPL	Financial assets at FVTOCI	Derivative financial instruments - assets	Derivative financial instruments - liabilities
Opening Balance as at 1/1/2018	**63**	**107**	**111**	**4**	**25**
Gain/ (loss) recognized in the income statement	(5)	(14)	-	3	(25)
Gain/(loss) recognized in OCI	-	-	24	-	-
Purchases	-	-	32	-	-
Disposals/ Settlements	(1)	-	(89)	-	-
Transferred to other assets	(5)	-	-	-	-
Transferred to Held for sale	-	(10)	-	-	-
Closing Balance as at 31/12/2018	**52**	**84**	**79**	**8**	**0**
Gain/ (loss) recognized in the income statement	(11)	(3)	-	(8)	-
Gain/(loss) recognized in OCI	-	-	8	-	-
Purchases	13	-	5	-	-
Transferred to held for sale	-	(11)	-	-	-
Disposals/ Settlements	(1)	(19)	(0)	-	-
Closing Balance as at 31/12/2019	**53**	**51**	**92**	**0**	**0**

Valuation Process and Control Framework

The Group has established appropriate processes and internal controls to ensure that the fair values of its financial assets and liabilities are reasonably estimated. The fair value measurements are validated by functions of the Bank that are independent of the risk-taking Unit.

The fair values of bonds 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 the fair value hierarchy (i.e. Level 3). The fair value measurement of bond or SPPI failed loans and advances, including significant inputs on the valuation models is performed by Middle Office and independently validated by Group Risk Management on a systematic basis.

Fair values of OTC derivatives are determined by calculating the present value of expected future cash flows, based upon "risk-neutral" principles. The Group mainly engages into vanilla derivative products, hence, the valuation models utilized are fairly standard across the industry. Inputs to valuation models are determined based on market observable information wherever possible. Counterparty credit risk-adjustments are applied on all OTC derivatives. The Group calculates a separate Credit Value Adjustment ("CVA") for each counterparty to which the Group has exposure. The CVA is estimated considering expected exposures generated using simulation techniques (i.e. Monte Carlo simulation), as well as ISDA master netting agreements and collateral postings under CSA. With respect to own credit risk, the Group estimates a Debt Value Adjustment ("DVA") by applying a methodology symmetric to the one applied for CVA. The bilateral CVA ("BCVA") is based on implied probabilities of default, derived from credit default swaps ("CDS") spreads observed in the market, or, if these are not available, from appropriate proxies.

On a systematic basis adequate control procedures are in place for the validation of these models, including the valuation inputs. Middle Office and Group Risk Management provide the control valuation framework necessary to ensure that the fair values are reasonably determined, reflecting current market circumstances and economic conditions. Furthermore, under European Markets and Infrastructure Regulation (EMIR) regulation, the valuation of interbank OTC derivatives is reconciled on a daily basis with counterparties' valuations, under the daily collateral management process.

Quantitative Information about Level 3 Fair Value Measurements at 31 December

Financial instruments	Fair Value 2019	Fair Value 2018	Valuation Technique	Significant Unobservable Input	Range of Inputs 2019 Low	Range of Inputs 2019 High	Range of Inputs 2018 Low	Range of Inputs 2018 High
Derivative financial instruments	-	6	Discounted cash flows, internal model for BCVA	Credit spread Equity volatility	-	-	2.5% 20%	5.5% 45%
Financial assets mandatorily at FVTPL - Bonds	2	16	Discounted cash flows	CET1 % Volatility Discount rate	12% 12%	30% 16%	-	-
Financial assets mandatorily at FVTPL - Contingent consideration asset	13	-	Monte Carlo simulation	Revenue volatility Discount rate Expected EBITDA	15% 14% n/a[2]	15% 14% n/a[2]	-	-
Financial assets mandatorily at FVTPL and FVTOCI– equity securities, funds	130	114	Income, market approach	n/a[1]	n/a[1]	n/a[1]	n/a[1]	n/a[1]
Loans and advances to customers mandatorily at FVTPL	51	84	Discounted Cash Flows	Credit risk adjusted expected cash flows	0%[3]	100%[3]	0%[3]	100%[3]

[1] Mainly refers to equity participations of the Group in the share capital of private companies, thus the respective shares are not traded in active markets. In the absence of an active market, the fair value of these securities is estimated using an income or market valuation approach. Given the bespoke nature of the valuation method in respect of each equity shareholding, it is not practicable to quote a range of unobservable inputs. The changes in the value do not materially affect the results and Group's assets.
[2] The performance targets and forecasted EBITDA of the underlying associates of the Group throughout the earnout calculation period, are commercially sensitive and have not been disclosed given that: a) it would be detrimental to the Group's interests to disclose them; and b) the fair value of the asset is immaterial.
[3] Represented as percentage of the loan's gross carrying amount

Reasonably possible assumptions, other than the aforementioned used for determining unobservable inputs of Level 3 instruments, would not have a significant effect on the Group's and the Bank's financial assets and liabilities measured at fair value on a recurring basis.

Discontinued operations

As at 31 December 2019, the Group's discontinued operations do not include any financial instruments measured at fair value on a recurring basis. As at 31 December 2018, the only asset class measured at fair value was financial assets at FVTOCI amounting to € 230 million, of which an amount of € 229 million and € 1 million was classified within Level 2 and Level 3, respectively.

4.16 Capital adequacy

The main objectives of Management with respect to capital adequacy are the following:

- To comply with the CRR Regulation against risks undertaken, according to the regulatory framework,
- To preserve the Group's and the Bank's ability to continue its operations unhindered, thus to continue providing returns and benefits to its shareholders and ensure the confidence of their customers,
- To retain a sound and stable capital base in order to support the Group's and the Bank's Business Plans and
- To maintain and enhance existing infrastructures, policies, procedures and methodologies for the adequate coverage

of supervisory needs, in Greece and abroad.

From 1 January 2014 onwards both the Group and the Bank comply with the CRD IV regulatory framework (Basel III implementation under EU rules), which came into force with Directive 2013/36/EU as transposed into Greek Law 4261/2014 and Regulation (EU) No. 575/2013 (CRR).

The aforementioned regulatory framework requires financial institutions to maintain for both the Group and the Bank a minimum level of regulatory capital related to the undertaken risks. The minimum thresholds for the capital adequacy ratios, as per article 92 of the CRR Regulation, are as follows:

	Group	Bank
Common Equity Tier 1 Ratio (CET1)	4.5%	4.5%
Tier 1 Ratio (T1)	6.0%	6.0%
Total Capital Ratio (CAD Ratio)	8.0%	8.0%

Following the activation of the SSM on 4 November 2014, both the Group and the Bank were placed under the direct supervision of the ECB.

Further to the conclusion of the SREP (Supervisory Review and Evaluation Process), the ECB informed Management of its Overall Capital Requirement ("OCR"), valid for 2020, not taking into account coronavirus (COVID-19) mitigating measures.

According to the decision, the Group and the Bank would have to maintain on a consolidated basis and on an individual basis an Overall Capital Requirement (OCR) of 14.25% (31 December 2019: 14.00%), which included:

a) the minimum Pillar I total capital requirements of 8% as per article 92(1) of Regulation 575/2013/EU;

b) an additional Pillar II capital requirement of 3.25% (31 December 2019: 3.25%) as per article 16(2) of Regulation 1024/2013/EU;

c) the fully loaded capital conservation buffer of 2.5% (31 December 2019: 2.5%) under Greek Law 4261/2014; and

d) the transitional Other Systemic Important Institutions (O-SII) capital buffer of 0.50% for 2020 (31 December 2019: 0.25%) under Greek Law 4261/2014.

The capital adequacy ratios as at 31 December 2019 and 2018 for the Group and the Bank, as calculated under the existing regulatory framework, taking into account the relevant transitional period provisions applicable under Regulation 575/2013 and the transitional arrangements applicable under Regulation (EU) 2395/2017 for mitigating the impact of the introduction of IFRS 9 on own funds, were as follows:

	Group		Bank	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Ordinary shares	2,620	2,620	2,620	2,620
Share premium	13,075	13,075	13,075	13,075
Contingent Convertible bonds	2,040	2,040	2,040	2,040
Less: Treasury shares	(0)	(0)	-	-
Other reserves & retained earnings	(10,355)	(10,344)	(10,209)	(10,181)
Minority Interest	115	116	-	-
Less: Intangible assets	(304)	(292)	(265)	(252)
Total regulatory adjustments on CETI capital	(787)	(724)	(648)	(612)
Common Equity Tier 1 Capital (CET1)	**6,403**	**6,489**	**6,614**	**6,689**
Hybrid capital	-	-	-	-
Total regulatory adjustments on CET1 capital	-	-	-	-
Tier 1 Capital (A)	**6,403**	**6,489**	**6,614**	**6,689**
Subordinated debt	394	-	392	-
Total regulatory adjustments on Tier II capital	-	-	-	-
Total Tier II Capital (B)	**394**	**0**	**392**	**0**
Total regulatory capital (A) + (B)	**6,798**	**6,489**	**7,006**	**6,689**
Total risk weighted assets (on and off- balance sheet items)	**45,565**	**47,554**	**44,216**	**45,563**
CET1 Capital ratio	**14.05%**	**13.65%**	**14.96%**	**14.68%**
T1 Capital ratio	**14.05%**	**13.65%**	**14.96%**	**14.68%**
Total Capital ratio	**14.92%**	**13.65%**	**15.84%**	**14.68%**

The Total Capital Adequacy Ratio for the Group as at 31 December 2019 stood at 14.92% (CET1 ratio 14.05%), covering the OCR level for 2019.The Group's Basel III pro-forma total capital adequacy ratio including the year-end profit of 2019 stood at 15.60% (CET 1 ratio 14.73%). The pro-forma total capital adequacy ratio increases to 16.70%, including both profits for 2019 and the € 500 million Tier 2 issuance in February 2020.

The spread of the COVID-19 has proven to be an unprecedented challenge both on a global and on a European level. On 12 March 2020 ECB announced several measures to address the adverse economic effects resulting from COVID-19 on Banks under its supervision. These measures extend temporary support to Banks so that they may continue to provide necessary funding and address the European economy's increased needs. For these reasons, the ECB will allow Banks to operate temporarily below the level of capital defined by the Pillar 2 Guidance (P2G) and the capital conservation buffer (CCB). Banks will also be allowed to partially use capital instruments that do not qualify as Common Equity Tier 1 (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).

4.17 Risks related to the recognition of the main part of deferred tax assets as claims (Deferred Tax Credits) against the Greek State as regulatory capital or as an asset

The calculation of the capital adequacy ratios of the Group and the Bank, takes into account the deferred tax assets which have been recognised on the basis of the relevant provisions of the IFRSs. As at 31 December 2019 the deferred tax asset of the Group and the Bank amounted to € 6,478 million (31 December 2018: € 6,647 million) and € 6,439 million (31 December 2018: € 6,600 million) respectively. At each reporting date, the Group and the Bank reviews the carrying amount of its DTAs, which is likely to lead to a change in the DTA recognised in the Statement of Financial Position, and consequently affect the calculation of the capital adequacy ratios. Under the current directive about the capital adequacy (“CRD IV”), deferred tax assets which are recognised according to the IFRSs and are based on the future profitability of the Group, are deducted from the Common Equity Tier 1 capital (“CET1”) if they exceed specific limits.

Under the provisions of Greek Law 4172/2013, Article 27A, as amended by Greek Law 4465/2017 and being currently in effect, deferred tax assets of Greek financial institutions, as well as deferred tax assets of leasing and factoring companies, that have been recognized due to losses from the Private Sector Involvement (“PSI”) and accumulated provisions due to credit risk in relation to existing loans and advances to customers as of 30 June 2015, as well as the accounting write offs and final losses due to permanent write offs or restructuring of debts under certain conditions, will be converted from 2017 onwards into directly enforceable claims (Tax Credit) against the Greek State, provided that the "profit for the period" from the fiscal year 2016 onwards according to IFRS, is a loss. This claim will be offset against the relevant amount of income tax of the legal person or companies of the same corporate group (associated companies) of the tax year, which the approved financial statements refer to. When the amount of income tax is insufficient to offset the above claim, any remaining claim will give rise to a direct refund right against the Greek State in favor of the above-mentioned legal person or companies. In this case, a special reserve equal to 100% of the mentioned claim will be created exclusively for a share capital increase and the issuance of capital conversion rights (warrants) without consideration in favor of the Greek State. The above rights will be convertible into ordinary shares.

Existing shareholders will have a call option right. The above-mentioned reserve will be capitalized and new ordinary shares will be issued in favor of the Greek State. If the right of conversion is exercised by the Greek State, the ownership of these common shares or cooperative shares (conversion rights) will come automatically and without consideration to the HFSF. Furthermore, a gradual amortization over a 20-year period of the final tax losses arising from write-offs and disposals is provided, maintaining the DTC status during all this period, while it disconnects the accounting write-offs from final debt write-offs.

As at 31 December 2019, the deferred tax assets of the Group and the Bank, which are eligible to Tax Credit, amounted to € 3.9 billion (31 December 2018: € 3.9 billion) of which € 1.2 billion (31 December 2018: € 1.3 billion) relate to the unamortized amount from the participation in the PSI program and € 2.7 billion (31 December 2018: € 2.7 billion) relate to the temporary differences between the amount of loans and advances to customers in accordance with IFRS and the tax base amount, respectively.

The recognition of deferred tax assets as well as their probable conversion to claims against the Greek State (Tax Credits) can be adversely affected by: a) the future reduction of income tax rates, b) the adverse change of the regulations governing the treatment of deferred tax assets for regulatory capital purposes and c) any adverse change in the interpretation of the aforementioned legislative amendments by the European Commission. In case where any of the aforementioned risks occur, it would probably have an adverse effect on the adequacy of the Group’s and the Bank’s regulatory capital adequacy ratios.

5 Segment analysis

The CEO, supported by the members of the Group Executive Committee, is considered the Chief Operating Decision Maker for the purposes of identifying the Group's reportable segments. Post completion of the Intrum Transaction, Management established an NPE Management Unit ("NPEMU"), with the overall responsibility of managing the Group's domestic NPE portfolio and consequently revised the Group's segmental architecture, as follows:

c) The non-Core of REO and Group's equity participations as well as international banking, were spinned-off from the Piraeus Legacy Unit ("PLU") reportable segment and recognized, along with the core part, as distinct segments. The quantitative thresholds of IFRS 8 are not exceeded, hence the entirety of these segments is presented within the "Other - Core" reportable segment.

d) The PLU, which following the aforementioned change consisted solely of the NPE management function, was transposed to NPEMU.

The comparative segment information as at and for the year ended 31 December 2018 has been restated to reflect the revised segmentation.

The Group manages its business through the following reportable segments:

Retail Banking – Includes Mass, Affluent, Private Banking, Small Businesses, and Public core customer segments as well as Channels.

Corporate Banking – Includes Large Corporates, Shipping, SME and Agricultural Core customer segments.

Piraeus Financial Markets ("PFM") – This segment includes the Fixed Income, Foreign Exchange, Treasury activities (including the management of the interest rate gap resulting from all banking activities) and Institutional Clients.

Other – Includes all management related activities not allocated to specific customer segments and all funding transactions approved by the Group Asset Liability Committee ("ALCO"). Following the most recent segmental architecture changes, this reportable segment now includes the management of REO, non client related Group's equity participations and international banking.

NPEMU –Includes the management of any NPE lending exposures assessed as non-core business, irrespectively of whether the said exposures are serviced by the Group or third parties. The accrued fees payable to Intrum Hellas Credit Servicing S.A. for servicing the Group's NPE portfolio are recognized within this reportable segment.

An analysis of the results and other financial figures per business segment of the Group is presented below. All inter-company transactions are undertaken on arm's length terms and inter-segment transactions and balances are eliminated within each relevant segment.

1/1 - 31/12/2019	"Core" Segments					NPE MU	Group
	Retail Banking	Corporate Banking	PFM	Other	Total		
Net interest income	516	422	103	5	1,047	388	**1,435**
Net fee and commission income	180	120	6	(0)	305	13	**318**
Net other income/ (expenses)	6	(14)	64	34	89	332	**421**
Total Net Income	**702**	**528**	**172**	**39**	**1,442**	**733**	**2,174**
Total operating expenses before provisions	(467)	(147)	(26)	(217)	(856)	(157)	**(1,013)**
Profit/ (loss) before provisions, impairment and income tax	**235**	**382**	**147**	**(178)**	**586**	**576**	**1,161**
ECL impairment losses on loans and advances to customers at amortised cost	(76)	(129)	(0)	(27)	(233)	(477)	**(710)**
Impairment (losses) / releases on other assets	-	0	-	(62)	(62)	-	**(62)**
ECL impairment (losses) / releases on financial assets at FVTOCI	-	-	8	-	8	-	**8**
Impairment on subsidiaries and associates	-	-	-	0	0	-	**0**
Impairment of property and equipment and intangible assets	-	-	-	(14)	(14)	-	**(14)**
Other impairment (losses) / releases	-	-	(1)	(0)	(1)	-	**(1)**
Other provision releases / (charges)	0	5	0	(4)	1	0	**1**
Share of profit/ (loss) of associates and joint ventures	-	-	-	5	5	-	**5**
Profit/ (loss) before income tax	**159**	**258**	**154**	**(281)**	**290**	**99**	**389**
Income tax benefit/ (expense)							(123)
Profit/ (loss) for the year from continuing operations							**266**
Profit/ (loss) after income tax from discontinued operations	-	-	-	10	10	-	**10**
Profit/ (loss) for the year							**276**
As at 31/12/2019							
Total assets from continuing operations (excluding assets held for sale)	10,099	14,607	7,380	14,213	46,298	14,561	**60,860**
Total assets from discontinued operations	-	-	-	108	108	-	**108**
Assets held for sale	0	0	-	0	0	264	**264**
Total assets	10,099	14,607	7,380	14,321	46,406	14,825	**61,231**
Total liabilities	34,553	7,892	8,235	2,416	53,095	363	**53,458**

1/1 - 31/12/2018 As restated	"Core" Segments					NPE MU	Group
	Retail Banking	Corporate Banking	PFM	Other	Total		
Net interest income	571	447	108	(26)	1,099	310	**1,410**
Net fee and commission income	159	133	4	26	321	18	**339**
Net other income/ (expenses)	6	3	43	93	145	(12)	**133**
Total Net Income	**736**	**583**	**155**	**93**	**1,566**	**316**	**1,882**
Total operating expenses before provisions	(477)	(149)	(23)	(335)	(985)	(176)	**(1,161)**
Profit/ (loss) before provisions, impairment and income tax	**259**	**434**	**131**	**(243)**	**581**	**140**	**721**
ECL Impairment losses on loans and advances to customers at amortised cost	(37)	(76)	0	(95)	(208)	(324)	**(532)**
Impairment (losses) / releases on other assets	-	-	-	(63)	(63)	-	**(63)**
ECL impairment (losses) / releases on financial assets at FVTOCI	-	-	6	-	6	-	**6**
Impairment on subsidiaries and associates	-	-	-	(50)	(50)	0	**(50)**
Impairment of property and equipment and intangible assets	-	-	-	(30)	(30)	-	**(30)**
Other impairment (losses) / releases	-	-	0	0	0	0	**0**
Other provision releases / (charges)	-	-	-	14	14	-	**14**
Share of profit/ (loss) of associates and joint ventures	-	-	-	15	15	-	**15**
Profit/ (loss) before income tax	**222**	**358**	**137**	**(453)**	**264**	**(184)**	**80**
Income tax benefit/ (expense)							93
Profit/ (loss) for the year from continuing operations							**173**
Profit/ (loss) after income tax from discontinued operations	-	-	-	(344)	(344)	-	**(344)**
Profit/ (loss) for the year							**(171)**
As at 31/12/2018							
Total assets from continuing operations (excluding assets held for sale)	10,162	13,830	5,768	14,598	44,358	15,494	**59,852**
Total assets from discontinued operations	-	-	-	1,721	1,721	-	**1,721**
Assets held for sale	-	33	-	274	307	-	**307**
Total assets	10,162	13,862	5,768	16,593	46,386	15,494	**61,880**
Total liabilities	33,044	7,643	9,023	4,318	54,029	345	**54,374**

In the tables above, interest income is presented for each reportable segment net of interest expense, as the performance of each segment is evaluated on a net interest income basis.

b) Geographical segment

The Group operates in the following geographical areas: a) Greece, the home country of the Bank, b) Rest of Europe, which includes Albania, Bulgaria, Romania, Serbia, Ukraine, Cyprus, United Kingdom, Luxemburg, Germany and Ireland, and c) Other Countries, which include Egypt.

The following table summarises the Group's net income and non-current assets, across all geographical areas. The breakdown is based on the location of the respective legal entity.

Group	Net Income		Non-current assets	
	1/1 - 31/12/2019	1/1 - 31/12/2018	31/12/2019	31/12/2018
Greece	2,140	1,833	2,257	2,199
Rest of Europe	35	49	181	177
Other countries	(1)	(0)	5	5
Continuing Operations	**2,174**	**1,882**	**2,443**	**2,380**
Discontinued Operations	**70**	**(29)**	**82**	**85**

For information regarding the Group's entities that have been classified as discontinued operations in 2019 and 2018, please refer to Note 12.

6 Net interest income

Continuing operations	Group		Bank	
	1/1 - 31/12/2019	1/1 - 31/12/2018	1/1 - 31/12/2019	1/1 - 31/12/2018
Interest and similar income				
Securities measured at FVTOCI	42	47	41	46
Debt Securities at amortised cost	19	1	19	1
Loans and advances to customers at amortised cost and reverse repos	1,657	1,711	1,642	1,698
Due from banks	7	4	7	6
Other	16	17	45	9
Total interest income for financial instruments not measured at FVTPL	**1,740**	**1,779**	**1,755**	**1,761**
Financial instruments measured at FVTPL	10	12	10	12
Derivative financial instruments	104	84	102	80
Total interest and similar income	**1,855**	**1,874**	**1,867**	**1,852**
Interest expense and similar charges				
Due to customers and repurchase agreements	(188)	(226)	(187)	(226)
Debt securities in issue and other borrowed funds	(27)	(6)	(28)	(6)
Due to banks	(9)	(32)	(9)	(36)
Contribution of Law 128/75	(69)	(81)	(68)	(81)
Other interest expense	(4)	(17)	(6)	(19)
Total interest expense from financial instruments not measured at FVTPL	**(298)**	**(362)**	**(298)**	**(368)**
Financial instruments measured at FVTPL	(2)	(2)	(2)	(2)
Derivative financial instruments	(120)	(101)	(118)	(97)
Total interest expense	**(420)**	**(465)**	**(418)**	**(467)**
Net interest income	**1,435**	**1,410**	**1,449**	**1,385**

Interest income by credit quality and product line

The table below presents interest income from loans and advances to customers at amortised cost and reverse repos, by credit quality and product line.

Group - Continuing operations	31/12/2019				31/12/2018			
	Unimpaired	Credit impaired			Unimpaired	Credit impaired		
	Stage 1 & 2	Stage 3	POCI	Total	Stage 1 & 2	Stage 3	POCI	Total
Retail Lending	328	118	95	**542**	356	148	43	**547**
Corporate Lending	600	402	109	**1,111**	595	487	75	**1,157**
Public Sector Lending	4	0	0	**5**	6	1	0	**7**
Total Interest income	**932**	**520**	**205**	**1,657**	**957**	**636**	**118**	**1,711**

Bank	31/12/2019				31/12/2018			
	Unimpaired	Credit impaired			Unimpaired	Credit impaired		
	Stage 1 & 2	Stage 3	POCI	Total	Stage 1 & 2	Stage 3	POCI	Total
Retail Lending	328	118	95	**541**	355	148	43	**547**
Corporate Lending	607	383	107	**1,097**	602	470	73	**1,145**
Public Sector Lending	4	0	0	**4**	6	1	0	**7**
Total Interest income	**939**	**502**	**202**	**1,642**	**963**	**619**	**116**	**1,698**

7 Net fee and commission income

Continuing operations	Group		Bank	
	1/1 - 31/12/2019	1/1 - 31/12/2018	1/1 - 31/12/2019	1/1 - 31/12/2018
Fee and commission income				
Commercial banking	383	406	338	358
Investment banking	20	11	10	5
Asset management	14	13	9	9
Total fee and commission income	**417**	**429**	**358**	**372**
Fee and commission expense				
Commercial banking	(95)	(87)	(89)	(83)
Investment banking	(4)	(3)	(0)	(0)
Asset management	(0)	(0)	(0)	(0)
Total fee and commission expense	**(99)**	**(90)**	**(89)**	**(83)**
Net fee and commission income	**318**	**339**	**269**	**289**

The tables below present commission income from contracts with customers of the Group and the Bank, for the years ended 31 December 2019 and 31 December 2018, per product type and per business segments before deducting any associated expenses.

Intersegmental reclassifications have been applied to the comparative year figures due to allocation methodology/process updates. For further information, refer to Note 5.

a. Fee and commission income

The Group and the Bank segregate revenue from contracts with customers based on the type of services provided. Management believes that this segregation indicates how the nature, quantity, timing and uncertainty of the Group's and the Bank's income and cash flows are affected by financial factors.

Group	Fee and Commission income					
1/1 - 31/12/2019	Retail Banking	Corporate Banking	Piraeus Financial Markets	Other	NPE MU	Total
Acquiring	39	22	1	0	2	**63**
Asset management/Brokerage	19	1	6	1	0	**27**
Bancassurance	24	4	0	9	2	**39**
Cards Issuance	38	5	0	1	2	**46**
Deposits Commissions	6	1	0	0	0	**8**
Funds Transfer	37	12	0	2	2	**53**
Letters of Guarantee	2	27	0	1	3	**33**
Loans and advances to customers	8	47	0	1	2	**58**
Payments	25	4	0	2	0	**31**
FX fees	21	4	1	0	0	**27**
Other	18	9	0	4	0	**32**
Total	**238**	**137**	**8**	**20**	**14**	**417**

Group	Fee and Commission income					
1/1 - 31/12/2018	Retail Banking	Corporate Banking	Piraeus Financial Markets	Other	NPE MU	Total
Acquiring	33	29	1	0	2	**64**
Asset management/Brokerage	18	1	4	2	0	**25**
Bancassurance	23	5	0	57	3	**87**
Cards Issuance	30	3	0	1	3	**38**
Deposits Commissions	6	1	0	0	1	**8**
Funds Transfer	36	12	0	1	2	**52**
Letters of Guarantee	2	29	0	(0)	3	**35**
Loans and advances to customers	7	62	0	(29)	5	**44**
Payments	20	3	0	1	0	**25**
FX fees	20	5	1	1	0	**26**
Other	18	4	0	4	0	**27**
Total	**213**	**155**	**6**	**36**	**19**	**429**

Bank	Fee and Commission income					
1/1 - 31/12/2019	Retail Banking	Corporate Banking	Piraeus Financial Markets	Other	NPE MU	Total
Acquiring	39	22	1	0	2	**63**
Asset management/Brokerage	9	0	4	0	0	**14**
Bancassurance	-	-	-	1	-	**1**
Cards Issuance	38	5	0	1	2	**46**
Deposits Commissions	6	1	0	0	0	**8**
Funds Transfer	37	12	0	2	2	**53**
Letters of Guarantee	2	27	0	1	3	**33**
Loans and advances to customers	8	44	0	1	1	**54**
Payments	25	4	0	1	0	**30**
FX fees	21	4	1	0	0	**27**
Other	18	10	0	1	0	**29**
Total	**203**	**129**	**7**	**8**	**12**	**358**

Bank	Fee and Commission income					
1/1 - 31/12/2018	Retail Banking	Corporate Banking	Piraeus Financial Markets	Other	NPE MU	Total
Acquiring	33	29	1	0	2	**64**
Asset management/Brokerage	8	0	3	1	0	**12**
Bancassurance	-	-	-	50	-	**50**
Cards Issuance	30	3	0	1	3	**38**
Deposits Commissions	6	1	0	0	1	**8**
Funds Transfer	36	12	0	1	2	**52**
Letters of Guarantee	2	29	0	(0)	3	**35**
Loans and advances to customers	7	57	0	(28)	4	**39**
Payments	20	3	0	1	0	**24**
FX fees	20	5	1	1	0	**26**
Other	18	5	0	1	0	**24**
Total	**180**	**145**	**5**	**26**	**16**	**372**

b. Other income

The tables below present other income from contracts with customers of the Group and the Bank, for the years ended 31 December 2019 and 2018, which fall within the scope of IFRS 15.

Group	Other Income			
1/1 - 31/12/2019	Retail Banking	Other	NPE MU	Total
Other operating income	0	35	2	**37**
Gain from sale of investment property	-	1	-	**1**
Gain from sale of other assets	-	7	1	**8**
Total	**0**	**44**	**3**	**46**

Group	Other Income			
1/1 - 31/12/2018	Retail Banking	Other	NPE MU	Total
Other operating income	0	63	-	**63**
Gain from sale of investment property	-	0	-	**0**
Gain from sale of other assets	-	5	-	**5**
Total	**0**	**68**	**0**	**68**

Bank	Other Income			
1/1 - 31/12/2019	Retail Banking	Other	NPE MU	Total
Other operating income	0	9	2	**10**
Gain from sale of investment property	-	0	-	**0**
Gain from sale of other assets	-	6	1	**7**
Total	**0**	**15**	**3**	**18**

Bank	Other Income			
1/1 - 31/12/2018	Retail Banking	Other	NPE MU	Total
Other operating income	0	35	-	**35**
Gain from sale of investment property	-	0	-	**0**
Gain from sale of other assets	-	5	-	**5**
Total	**0**	**40**	**0**	**40**

8 Net gain/ (losses) from financial instruments measured at FVTPL

Continuing operations	Group		Bank	
	1/1 - 31/12/2019	1/1 - 31/12/2018	1/1 - 31/12/2019	1/1 - 31/12/2018
Gains / (losses) on debt securities (A)	29	1	29	1
Net income from other financial instruments designated at fair value through profit or loss (B)	(20)	25	(20)	25
Gains / (losses) on other financial instruments (C)	4	(2)	2	(4)
Net income from financial instruments measured at fair value through profit or loss (A) + (B) + (C)	**13**	**24**	**12**	**22**

9 Net other income/ (expenses)

Continuing operations	Group		Bank	
	1/1 - 31/12/2019	1/1 - 31/12/2018	1/1 - 31/12/2019	1/1 - 31/12/2018
Net losses from fair value adjustment of investment property (Note 26)	(4)	(31)	(2)	(8)
Gains/ (losses) from derecognition of financial instruments measured at amortised cost	7	42	7	0
Rental income from investment property	39	38	11	10
Other net income / (loss)	13	39	1	25
Total Net other income / (expense)	**55**	**87**	**17**	**27**

10 Staff costs

Continuing operations	Group		Bank	
	1/1 - 31/12/2019	1/1 - 31/12/2018	1/1 - 31/12/2019	1/1 - 31/12/2018
Wages & salaries	(339)	(350)	(319)	(328)
Social insurance contributions	(88)	(93)	(84)	(88)
Other staff costs	(32)	(26)	(31)	(25)
Voluntary redundancy costs	(36)	(154)	(36)	(147)
Retirement benefit charges	(9)	7	(9)	7
Total	**(504)**	**(616)**	**(479)**	**(581)**

The number of employees from continuing operations for the Group as at 31 December 2019 was 11,615 (2018: 12,616) and for the Bank was 10,843 (2018: 11,794). The decrease on the number of employees in 2019 is mainly due to the Intrum Transaction and the ongoing Voluntary Exit Scheme (“VES”). As at 31 December 2019, the number of full time equivalent employees that were transferred to Intrum Hellas Credit Servicing S.A. was 628. Regarding the VES participants, 251 employees left the Group in 2019 and another 87 employees during January and February 2020.

11 Administrative expenses

Continuing operations	Group		Bank	
	1/1 - 31/12/2019	1/1 - 31/12/2018	1/1 - 31/12/2019	1/1 - 31/12/2018
Taxes and duties	(80)	(81)	(72)	(70)
Promotion and advertising expenses	(58)	(48)	(69)	(61)
Fees and similar expenses	(80)	(100)	(69)	(88)
Contributions payable to Deposit Insurance and Resolution Funds	(50)	(59)	(49)	(59)
Other administrative expenses	(119)	(153)	(103)	(142)
Total	**(387)**	**(441)**	**(363)**	**(420)**

The decrease in administrative expenses is mainly due to the Bank's ongoing cost efficiency actions, in accordance with its capital enhancement plan and the implementation of IFRS 16, based on which € 25 million and € 27 million for the Group and the Bank, respectively were transfered to the line "depreciation and amortization". The contributions payable to Deposit Insurance and Resolution Funds mainly include € 29 million for the Bank's regular contribution to the Hellenic Deposit and Investment Guarantee Fund ("HDIGF") Resolution Leg (31 December 2018: € 33 million) and € 19 million ex-ante contribution to the Single Resolution Fund ("SRF") (31 December 2018: € 25 million).

12 Discontinued operations

The Group discontinued operations as at 31 December 2019 comprise solely of IMITHEA S.A., while as at 31 December 2018, they comprised of IMITHEA S.A., Piraeus Bank Bulgaria A.D. and Tirana Bank I.B.C. S.A. The profit or loss from discontinued operations for the year ended 31 December 2019 comprises of IMITHEA S.A., Piraeus Bank Bulgaria A.D. and Tirana Bank I.B.C. S.A. (for the latter two until the day of their disposal), while the profit or loss from discontinued operations for the year ended 31 December 2018 comprised of IMITHEA S.A., Tirana Bank I.B.C. S.A., Piraeus Bank Bulgaria A.D., Sentinel Advisors S.A., Piraeus Leasing Doo Beograd, Piraeus Bank Beograd A.D., Piraeus Bank Romania S.A. and Olympic Commercial & Tourist Enterprises S.A.

IMITHEA S.A.

IMITHEA S.A., the Bank's subsidiary that owns and operates Henry Dunant Hospital Center, has been classified as a discontinued operation and non-current asset held for sale in the consolidated and separate financial statements of the Group and the Bank, respectively. The Bank remains committed to its strategic plan to dispose IMITHEA S.A. and considers that the sale is highly probable in the foreseeable future.

Piraeus Bank Bulgaria A.D.

In the second quarter of 2018, the Bank's subsidiary Piraeus Bank Bulgaria A.D. ("PBB") was classified as a discontinued operation and non-current asset held for sale in the consolidated and separate financial statements of the Group and the Bank, respectively. The disposal of PBB to Eurobank Bulgaria A.D. was completed on 13 June 2019, after having obtained the required approvals from the competent regulatory authorities, and the consideration amounted to approximately € 77 million.

Tirana Bank I.B.C. S.A.

In the second quarter of 2018, the Bank's subsidiary Tirana Bank Sh.A ("PB Albania"), was classified as a discontinued operation and non-current asset held for sale in the consolidated and separate financial statements of the Group and the Bank, respectively. The disposal was completed on 28 February 2019, on which date control over PB Albania was passed to Balfin Sh.p.k. and Komercijalna Banka AD. The consideration amounted to € 57 million.

Sentinel Advisors S.A

On 3 April 2018, the disposal of the Bank's subsidiary Sentinel Advisors S.A. (former ATE Insurance Romania S.A.) was completed. The consideration amounted to € 3 million.

Piraeus Bank Beograd AD and Piraeus Leasing Doo Beograd

On 17 October 2017, the Bank announced that it had entered into an agreement to dispose of its Serbian banking and leasing operations to Direktna Banka A.D., a local Serbian banking group, for a total cash consideration of € 61 million, through a combination of direct sale and simultaneous reduction of capital in Piraeus Bank Beograd A.D. On 23 April 2018 the sale of Piraeus Bank Beograd A.D. and Piraeus Leasing Doo Beograd to Direktna Bank A.D. was completed, after having obtained the necessary regulatory approvals by the National Bank of Serbia and the Serbian Competition Authority, as well as the HFSF.

Piraeus Bank Romania S.A

On 21 November 2017, the Bank announced that it had entered into an agreement with J.C. Flowers & Co for the disposal of its entire shareholding in its banking subsidiary in Romania, Piraeus Bank Romania S.A. ("PBR"). On 29 June 2018, the Bank concluded the sale of PBR to J.C. Flowers & Co, after having obtained the necessary regulatory approvals by the National Bank of Romania and the Romanian Competition Authority, as well as the HFSF. The consideration amounted to € 44 million.

Olympic Commercial & Tourist Enterprises S.A.

On 21 November 2017, the Bank made an announcement, regarding the disposal of its subsidiary Olympic Commercial and Tourism Enterprises S.A. (Olympic) - which held the Avis Rent a Car, Budget Rent a Car and Payless master franchises for Greece - that Avis Budget Group, through its subsidiary Zodiac Europe Limited, exercised its rights held under the terms of the franchise agreements for its brands. The transaction was completed on 15 March 2018 for a consideration of € 81 million.

A) Profit / (loss) after income tax from discontinued operations

	1/1 - 31/12/2019	1/1 - 31/12/2018
Interest and similar income	19	81
Interest expense and similar charges	(1)	(11)
NET INTEREST INCOME	**17**	**69**
Fee and commission income	8	29
Fee and commission expense	(1)	(5)
NET FEE AND COMMISSION INCOME	**7**	**24**
Net gain/ (losses) from financial instruments measured at fair value through profit or loss ("FVTPL")	2	(5)
Gain/(loss) from the disposal of subsidiaries, associates and businesses	11	(156)
Net other income/ (expenses)	33	39
TOTAL NET INCOME	**70**	**(29)**
Staff costs	(35)	(65)
Administrative expenses	(19)	(51)
Depreciation and amortisation	(7)	(12)
TOTAL OPERATING EXPENSES BEFORE PROVISIONS	**(61)**	**(128)**
PROFIT BEFORE PROVISIONS, IMPAIRMENT AND INCOME TAX	**9**	**(157)**
Provisions and Impairment Losses	(6)	(192)
PROFIT/ (LOSS) BEFORE INCOME TAX	**4**	**(349)**
Income tax benefit/ (expense)	6	5
PROFIT/ (LOSS) AFTER INCOME TAX FROM DISCONTINUED OPERATIONS	**10**	**(344)**

In the year ended 31 December 2018, the Group's investments mainly in Piraeus Bank Bulgaria A.D. and Tirana Bank I.B.C. S.A were written down to their fair value less costs to sell with a resulting loss of € 181 million, which is presented within the "Provisions and impairment losses" line item above.

B) Assets and liabilities of discontinued operations

	31/12/2019	31/12/2018
ASSETS		
Cash and balances with Central Banks	0	278
Due from banks	-	116
Reverse repos with customers	-	1
Loans and advances to customers at amortised cost	-	992
Financial assets measured at FVTOCI	-	230
Investment property	-	1
Property and equipment	81	84
Deferred tax assets	11	6
Other assets	15	15
Total Assets	**108**	**1,721**

	31/12/2019	31/12/2018
LIABILITIES		
Due to banks	-	33
Due to customers	-	1,601
Retirement benefit obligations	5	6
Provisions	3	142
Other liabilities	11	22
Total Liabilities	**19**	**1,804**

13 Income tax benefit / (expense)

Continuing operations	Group		Bank	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Current tax expense	(14)	(10)	(3)	(4)
Deferred tax benefit / (expense) (Note 36)	(109)	103	(100)	112
Income tax benefit / (expense)	**(123)**	**93**	**(103)**	**107**

The income tax benefit/(expense) recognized in the income statement differs from the tax credit/charge that would apply if all profits/losses had been taxed at nominal corporate income tax rates, as follows:

	Group		Bank	
	2019	2018	2019	2018
Profit / (loss) before income tax / (expense)	389	80	130	(57)
Tax calculated based on current tax rate (29%)	(113)	(23)	(38)	16
Income not subject to taxation	9	36	5	17
Impact from tax base reassessment and other permanent differences on loans and advances to customers	22	148	22	148
Non tax deductible expenses and other permanent differences	(44)	(77)	(92)	(75)
Effect of different tax rates applied abroad	5	5	-	-
Impact on deferred tax of change in tax rate	(4)	-	-	-
Effect of results of investment in associates	2	4	-	-
Income tax benefit / (expense)	**(123)**	**93**	**(103)**	**107**
Effective tax rate for the year	**31.6%**	**-116.7%**	**79.0%**	**189.4%**

In accordance with the provisions of the enacted Greek Law 4172/2013, as amended by Greek Law 4646/2019 (Gazette A'201/12.12.2019) and currently in effect, the nominal corporate income tax rate of the Bank for 2019 and 2018 is 29%. Effective from 2019, the corporate income tax rate for legal entities, which are incorporated in Greece, is 24% for income earned in 2019 and onwards. The corporate income tax rate, applicable to financial institutions, remains at 29%, provided that for those tax years they are subject to the specific provisions of art. 27A of Greek Tax Law regarding deferred taxation.

The withholding tax on dividends is decreased from 10% to 5% for any distribution approved by the component body of the legal entity from 01 January 2020 and onwards, while for any distribution approved before 01 January 2020 the withholding tax on dividends is 10%.

As at 31 December 2019 the Group and the Bank have recognised DTAs of € 6,478 million and € 6,439 million respectively (2018: € 6,647 million and € 6,600 million respectively). For further information, refer to Note 36.

The income tax benefit/(expense) of the Group's foreign subsidiaries, is estimated based on the respective nominal corporate income tax rates applicable in 2019 and 2018 (i.e. Bulgaria: 10%, Romania: 16%, Egypt: 22.5%, Serbia: 15%, Ukraine: 18%, Cyprus: 12.5%, Albania: 15% and United Kingdom: 19%).

According to article 82 of Greek Law 4472/2017 credit institutions and other legal entities scoped into the provisions of article 27A of Greek Law 4172/2013 are required to pay an annual fee of 1.5% on the excess amount guaranteed by the Greek State of DTAs arising from the difference between the tax rate applicable under Greek Law 4334/2015 (Gazette A' 80/16/7/2015) retrospectively from 1 January 2015 onwards (29%), and the tax rate applicable on 30 June 2015 (26%). The fee for the Group and the Bank for the years ended 31 December 2019 and 2018, amounted to € 7 million has been charged within line item "Net other income/ (expenses)" of the Income Statement.

According to article 63 of Greek Law 4607/2019, as of 1 May 2019 the levy of article 1 of Law 128/1975 was imposed on the balance of all types of credits, including financial arrangements equivalent to credits, granted from financial institutions, as defined in Regulation (EU) No. 575/2013, operating in Greece or abroad. Nevertheless, based on article 67 of Greek Law 4646/2019, effective from 1 January 2020 and onwards, the said levy was abolished.

Effective from 1 January 2020, individuals and legal entities who are non-Greek tax residents are tax exempt on interest income earned by corporate bonds issued by companies which are listed in the E.U. or in an organized financial market outside the E.U, that is regulated by an authority accredited by the International Organization of Securities Commissions (IOSCO), as well as any bonds issued by credit cooperative banks that operate as credit institutions.

14 Earnings/(losses) per share

Basic earnings/(losses) per share ("EPS") are calculated by dividing the profit/(loss) after tax attributable to the ordinary shareholders of the Bank by the weighted average number of ordinary shares in issue during the year, excluding the average number of ordinary shares held by the Group.

On 2 December 2015, in the context of capital support provided in accordance with the provisions of Greek Law 3864/2010 and Cabinet Act no 36/2015, the Board of Directors proceeded with the issuance of Contingent Convertible Bonds ("CoCos") amounting to € 2,040 million, which was exclusively subscribed by the HFSF.

	1/1 - 31/12/2019	1/1 - 31/12/2018
Profit/(loss) for the year attributable to ordinary shareholders of the parent entity from continuing operations	270	185
Profit/(loss) for the year attributable to ordinary shareholders of the parent entity from discontinued operations	10	(343)
Profit/(loss) for the year attributable to ordinary shareholders of the parent entity from continuing and discontinued operations	**279**	**(158)**
Weighted average number of ordinary shares in issue (Basic earnings/losses)	436,450,375	436,456,563
Potential dilutive ordinary shares from CoCos	394,400,000	394,400,000
Weighted average number of ordinary shares in issue (Diluted earnings/losses)	**830,850,375**	**830,856,563**
Basic earnings/(losses) per share in € from continuing operations	0.62	0.42
Diluted earnings/(losses) per share in € from continuing operations	0.32	0.22
Basic earnings/(losses) per share in € from discontinued operations	0.02	(0.79)
Diluted earnings/(losses) per share in € from discontinued operations	0.01	-
Basic earnings/(losses) per share in € from continuing and discontinued operations	**0.64**	**(0.37)**
Diluted earnings/(losses) per share in € from continuing and discontinued operations	**0.33**	**-**

The effect of the CoCos in the EPS calculation for the comparative year was antidilutive for discontinued operations and the total of continuing and discontinued operations. Hence the dilutive effect for 2018 was only calculated for continuing operations.

15 Tax effects relating to other comprehensive income / (expense) for the period

Group - Continuing operations	1/1 - 31/12/2019			1/1 - 31/12/2018		
	Gross	Tax	Net	Gross	Tax	Net
Items that may be reclassified subsequently to profit or loss						
Change in reserve from debt securities measured at FVTOCI	166	(51)	115	(49)	11	(39)
Change in currency translation reserve	9	-	9	2	-	2
Items that will not be reclassified subsequently to profit or loss						
Change in reserve from equity instruments measured at FVTOCI	41	(11)	30	21	(5)	15
Change in reserve of actuarial gains/ (losses)	(8)	2	(6)	0	(0)	(0)
Other comprehensive income/ (expense) from continuing operations	**207**	**(60)**	**148**	**(26)**	**5**	**(21)**

Bank	1/1 - 31/12/2019			1/1 - 31/12/2018		
	Gross	Tax	Net	Gross	Tax	Net
Items that may be reclassified subsequently to profit or loss						
Change in reserve from debt securities measured at FVTOCI	166	(51)	115	(49)	11	(39)
Items that will not be reclassified subsequently to profit or loss						
Change in reserve from equity instruments measured at FVTOCI	40	(12)	28	22	(6)	15
Change in reserve of actuarial gains/ (losses)	(8)	2	(6)	0	(0)	0
Other comprehensive income/ (expense) for the year	**198**	**(60)**	**137**	**(27)**	**4**	**(23)**

16 Cash and balances with central banks

	Group		Bank	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Cash in hand	849	629	846	626
Balances with central banks	2,404	1,850	2,376	1,831
Cheques clearing system - central banks	92	91	92	91
Mandatory reserves with central banks	4	3	-	-
Total Cash and balances with central banks	**3,349**	**2,572**	**3,314**	**2,548**

“Mandatory reserves with central banks” line item mainly refers to the Bank’s obligation to maintain a current account with the BoG in order 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).

The BoG requires all banks established in Greece to maintain deposits with the central bank with an average balance equal to 1.0% of total customer deposits as these are defined by the ECB. Similar requirements apply to the banking subsidiary of the Group, JSC Piraeus Bank ICB. The Bank’s deposits at BoG bear interest at the refinancing rate as set by the ECB of 0.0% as at 31 December 2019, while the corresponding deposits of JSC Piraeus Bank ICB are non-interest bearing.

At the reporting date, Bank maintained zero balance of mandatory reserves with central bank as the average balance over the required period was in excess of a minimum requirement, while the Group maintained an amount of € 4 million relating to the subsidiary in Ukraine, namely JSC Piraeus Bank ICB (31 December 2018: € 3 million relating to the same subsidiary).

The 12 months ECL allowance is less than € 1 million for both the Group and the Bank.

17 Due from banks

	Group		Bank	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Sight and time deposits with banks	285	374	215	247
Securities purchased under agreements to resell	55	25	55	25
Placements with banks	74	75	77	212
Collateral posted in margin accounts	892	646	892	646
Total due from banks	**1,307**	**1,120**	**1,239**	**1,130**
of which:				
Current	1,238	1,069	1,171	965
Non-current	69	51	68	166

All due from banks have been classified as Stage 1. The 12 months ECL allowance is less than € 1 million for both the Group and the Bank.

18 Derivative financial instruments

31/12/2019	Group			Bank		
	Notional amount	Fair value		Notional amount	Fair value	
Derivatives held for trading		Assets	Liabilities		Assets	Liabilities
Interest rate swaps	7,477	448	430	7,477	448	430
Currency swaps	1,184	8	3	1,184	8	3
FX forwards	203	3	2	203	3	2
Options and other derivative instruments	6,069	20	0	6,069	20	0
Cross Currency Interest Rate Swaps	1,169	-	46	1,169	-	46
Total	**16,103**	**479**	**482**	**16,103**	**479**	**482**

31/12/2018	Group			Bank		
	Notional amount	Fair value		Notional amount	Fair value	
Derivatives held for trading		Assets	Liabilities		Assets	Liabilities
Interest rate swaps	7,141	353	333	7,142	353	333
Currency swaps	1,663	3	13	1,670	3	13
FX forwards	257	2	5	257	2	5
Options and other derivative instruments	5,027	19	0	5,029	21	0
Cross Currency Interest Rate Swaps	1,513	0	61	1,513	0	61
Total	**15,602**	**378**	**413**	**15,611**	**380**	**413**

Interest rate swaps mainly include transactions held with the Bank's customers and their offsetting positions engaged by the Bank with other counterparties in order to economically hedge its interest rate risk exposure.

The bilateral CVA for the Group and the Bank as at 31 December 2019 and 2018, amounted to € 5 million and € 7 million, respectively. In December 2019, the Bank applied fair value hedge accounting on the variability arising from changes in the fair value of a fixed rate sovereign bond due to movements in market interest rates. The par value of the bond is € 5 million and the impact of the said hedge accounting on the Bank's Statement of Financial Position and Income Statement is immaterial.

19 Financial assets at fair value through profit or loss

a) Financial assets at FVTPL

	Group		Bank	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Greek government bonds	650	242	650	242
Foreign government bonds	2	126	-	126
Corporate bonds	4	4	4	4
Equity securities	8	10	-	-
Total	**663**	**382**	**654**	**372**

b) Financial assets mandatorily at FVTPL

	Group		Bank	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Corporate bonds	13	16	13	16
Bonds issued by financial institutions	2	1	2	1
Athens stock exchange listed shares	3	6	3	6
Foreign stock exchanges listed shares	0	0	0	0
Unlisted shares	20	19	20	19
Mutual Funds	94	69	94	69
Total	**131**	**110**	**131**	**110**

As at 31 December 2019, corporate bonds mandatorily measured at FVTPL, include a contingent consideration asset in the form of a performance note payable to the Bank based on the EBITDA of (i) Intrum Hellas Credit Servicing S.A.; (ii) Intrum Hellas REO Solutions S.A.; and (iii) any of their affiliates for a specified period of time after closing, as it fails the SPPI test. The performance note has been issued by Intrum Holding Spain S.A.U., its par value is € 32 million and was acquired by the Bank in the context of the Intrum Transaction.

20 Loans and advances to customers at amortised cost

	Group		Bank	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Mortgages	13,733	14,128	13,733	14,148
Consumer/ personal and other loans	2,997	3,134	2,989	3,151
Credit cards	746	825	745	830
Retail Lending	**17,476**	**18,087**	**17,467**	**18,129**
Corporate and Public Sector Lending	**30,999**	**31,510**	**31,455**	**31,850**
Total gross loans and advances to customers at amortised cost	**48,475**	**49,597**	**48,922**	**49,979**
Less: ECL allowance	(9,314)	(9,840)	(9,122)	(9,422)
Total	**39,162**	**39,757**	**39,801**	**40,557**
of which:				
Current	5,832	7,347	5,979	8,499
Non-current	33,330	32,410	33,822	32,058

For reconciliation of gross carrying amount and ECL allowance, please see the comment of Note 4.3.1.

Loans and advances to customers include finance lease receivables:

Group - Finance lease receivables	31/12/2019	31/12/2018
No later than one year	529	650
One to five years	317	289
Later than five years	800	942
Gross investment in finance leases	**1,646**	**1,881**
Unearned finance income	(182)	(217)
Net investment in finance leases	**1,464**	**1,664**
of which:		
No later than one year	511	632
One to five years	268	237
Later than five years	685	796

As at 31 December 2019 and 2018, the Group recognized an ECL allowance of € 390 million and € 527 million, respectively on its finance lease receivables.

21 Financial assets at FVTOCI

	Group		Bank	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Greek Government Bonds	771	527	771	527
Corporate Bonds	108	29	108	29
Bonds issued by financial institutions and foreign governments	65	66	63	62
Greek treasury bills	493	1,475	493	1,475
Debt securities measured at FVTOCI	**1,437**	**2,097**	**1,435**	**2,093**
Equity securities designated at FVTOCI	**210**	**172**	**210**	**170**
Financial assets at FVTOCI	**1,647**	**2,270**	**1,646**	**2,262**
Current debt securities measured at FVTOCI	532	1,481	532	1,477
Non-current debt securities measured at FVTOCI	904	616	903	616
Total debt securities at FVTOCI	**1,437**	**2,097**	**1,435**	**2,093**

The Group and the Bank hold certain equity securities for reasons other than short-term profit taking, which are designated at FVTOCI. The following table includes the Bank's securities and presents their fair value as of the end of the year:

Bank - Fair value of equity securities designated at FVTOCI	31/12/2019	31/12/2018
Mastercard Inc.	42	26
Visa Inc. (Series C convertible participating preferred stock)	41	28
Visa Inc. (Class C series I)	36	25
Attica holdings S.A.	33	31
Vivartia holding S.A.	26	32
Other	32	28
Total	**210**	**170**

On 29 November 2018, the Bank disposed of its ordinary shares on Attiki Odos S.A. and Attika Diodia S.A. that were designated at FVTOCI. The dividend income recognized by the Group and the Bank from these equity securities in the year ended 31 December 2018 was € 6 million. The fair value of the shares as of the disposal date was € 57 million and the cumulative loss amounted to € 32 million. Refer to Note 41 for the cumulative gain or loss transferred within equity from "Reserve from financial assets at FVTOCI" to "Retained Earnings" in 2019 and 2018.

The movement of debt securities measured at FVTOCI is summarized below:

	Group			Bank		
	Stage 1	Stage 2	Total	Stage 1	Stage 2	Total
Opening balance at 1/1/2018	**1,902**	**-**	**1,902**	**1,724**	**-**	**1,724**
Transfer to Discontinued Operations	(170)	-	(170)	-	-	0
Additions	2,189	2	2,192	2,189	2	2,191
Coupon receipts	(7)	(0)	(7)	(6)	(0)	(6)
Disposals/ maturities	(1,840)	(1)	(1,841)	(1,836)	(1)	(1,837)
Interest Income	46	0	47	46	0	46
Foreign exchange differences	1	-	1	-	-	0
Gain/ (loss) from changes in fair value	(26)	(0)	(26)	(26)	(0)	(26)
Closing balance 31/12/2018	**2,095**	**2**	**2,097**	**2,091**	**2**	**2,092**
Additions	1,769	-	1,769	1,762	-	1,762
Coupon receipts	(25)	-	(25)	(24)	-	(24)
Disposals/ maturities	(2,625)	(2)	(2,627)	(2,614)	(2)	(2,616)
Interest Income	41	0	41	41	0	41
Foreign exchange differences	1	-	1	-	-	0
Gain/ (loss) from changes in fair value	180	0	180	179	0	179
Closing balance 31/12/2019	**1,437**	**0**	**1,437**	**1,435**	**0**	**1,435**

The Group and the Bank recognized an ECL allowance on debt securities measured at FVTOCI of € 4 million and € 15 million as at 31 December 2019 and 2018, respectively. Refer to Note 41 for the ECL allowance, after tax, recognized in OCI during the year.

22 Debt securities at amortised cost

As at 31 December 2019 and 2018, the Group's portfolio of debt securities measured at amortized cost consists solely of non-Greek government bonds with a maturity date later than 12 months after the reporting date. During 2019, the Group purchased sovereign bonds of nominal value of € 900 million. The portfolio is classified in its entirety in Stage 1, as the vast majority of the securities are investment grade at the reporting date and the resulting ECL is immaterial. For further information on the credit rating of the portfolio refer to Note 4.6.

23 Investments in consolidated companies

The investments of the Group and the Bank in consolidated companies from continuing and discontinued operations are analysed below:

A) Subsidiary companies (full consolidation method) from continuing operations

a/a	Name of Company	Activity	Country	Unaudited tax years	Group	Bank
					% holding	% holding
1.	Piraeus Leasing S.A.	Finance leases	Greece	2014-2019	100.00%	100.00%
2.	Piraeus Financial Leases S.A.	Finance leases	Greece	2013-2019	100.00%	100.00%
3.	Geniki Financial & Consulting Services S.A.	Financial & consulting services	Greece	2014-2019	100.00%	100.00%
4.	Piraeus Securities S.A.	Stock exchange operations	Greece	2014-2019	100.00%	100.00%
5.	Piraeus Factoring S.A.	Corporate factoring	Greece	2013-2019	100.00%	100.00%
6.	Piraeus Capital Management S.A.	Venture capital fund	Greece	2013-2019	100.00%	100.00%
7.	Piraeus Jeremie Technology Catalyst Management S.A.	Management of venture capital fund	Greece	2013-2019	100.00%	-
8.	Hellenic Fund for Sustainable Development	Close End Venture Capital Fund	Greece	-	65.00%	-
9.	ETVA Fund Management S.A.	Management of venture capital mutual funds	Greece	2014-2019	65.00%	-
10.	Piraeus Asset Management S.A.	Mutual funds management	Greece	2014-2019	100.00%	100.00%
11.	Piraeus Insurance Agency S.A.	Insurance agency	Greece	2013-2019	100.00%	100.00%
12.	Geniki Information S.A.	Assessment and collection of commercial debts	Greece	2013-2019	100.00%	100.00%
13.	DI.VI.PA.KA S.A.	Administrative and managerial body of the Kastoria industrial park	Greece	2013-2019	57.53%	-
14.	ETVA Development S.A.	Investment and development activities, in accordance with the principles of sustainable development	Greece	2014-2019	65.00%	-
15.	ETVA Industrial Parks S.A.	Development/ management of industrial areas	Greece	2013-2019	65.00%	65.00%
16.	Abies S.A.	Property management	Greece	2013-2019	61.65%	40.14%
17.	Achaia Clauss Estate S.A.	Property management	Greece	2013-2019	75.49%	75.49%
18.	Euroterra S.A.	Property management	Greece	2013-2019	62.90%	42.51%
19.	Kosmopolis A' Shopping Centers S.A.	Shopping center's management	Greece	2014-2019	100.00%	100.00%
20.	Linklife Food & Entertainment Hall S.A.	Operation of food and entertainment Halls	Greece	2014-2019	100.00%	-
21.	ND Development S.A.	Property management	Greece	2014-2019	100.00%	100.00%
22.	New Up Dating Development Real Estate and Tourism S.A.	Property, tourism & development company	Greece	2013-2019	100.00%	100.00%
23.	Picar S.A.	City Link areas management	Greece	2014-2019	100.00%	100.00%

a/a	Name of Company	Activity	Country	Unaudited tax years	Group	Bank
					% holding	% holding
24.	Property Horizon S.A.	Property management	Greece	2014-2019	100.00%	100.00%
25.	Rebikat S.A.	Property management	Greece	2013-2019	61.92%	40.31%
26.	General Construction and Development Co. S.A.	Property development/ holding company	Greece	2014-2019	66.66%	66.66%
27.	Entropia Ktimatiki S.A.	Property management	Greece	2013-2019	66.70%	-
28.	Euroak S.A. Real Estate	Real estate investment	Greece	2013-2019	53.60%	53.60%
29.	Komotini Real Estate Development S.A.	Property management	Greece	2014-2019	100.00%	100.00%
30.	Piraeus Buildings S.A.	Property development	Greece	2010-2019	100.00%	-
31.	Piraeus Development S.A.	Property management	Greece	2014-2019	100.00%	100.00%
32.	Piraeus Real Estate S.A.	Construction company	Greece	2014-2019	100.00%	100.00%
33.	Pleiades Estate S.A.	Property management	Greece	2013-2019	100.00%	100.00%
34.	A.C.T. B.A.S. S.A.	Consulting services for payroll and labour affairs	Greece	2014-2019	100.00%	100.00%
35.	KPM Energy S.A.	Energy generation and exploitation through renewable energy resources	Greece	2013-2019	100.00%	-
36.	Mille Fin S.A.	Vehicle Trading	Greece	2013-2019	100.00%	100.00%
37.	Multicollection S.A.	Assessment and collection of commercial debts	Greece	2009-2019	51.00%	51.00%
38.	Piraeus Direct Solutions S.A.	Financial - telecommunication & IT services	Greece	2013-2019	100.00%	100.00%
39.	Zibeno I Energy S.A.	Energy generation through renewable energy resources	Greece	2015-2019	100.00%	-
40.	Centre of Sustainable Entrepreneurship Excelixi S.A.	Consulting Services - Hotel - Training & Seminars	Greece	2013-2019	100.00%	100.00%
41.	PROSPECT M.C.P.Y.	Yachting management	Greece	2013-2019	100.00%	-
42.	Anemos Ipirou Anonymi Energeiaki Etaireia	The exploitation of wind energy park in Greece	Greece	2014-2019	100.00%	-
43.	Aioliki Mbeleheri S.A.	The exploitation of wind energy park in Greece and the holding of investments with similar activities	Greece	2011-2019	100.00%	-
44.	Aiolikon Parko Artas Aetoi E.E.	The exploitation of wind energy park in Greece	Greece	2014-2019	100.00%	-
45.	Aiolikon Parko Evritanias Morforahi E.E.	The exploitation of wind energy park in Greece	Greece	2014-2019	100.00%	-
46.	Aiolikon Parko Evritanias Ouranos E.E.	The exploitation of wind energy park in Greece	Greece	2014-2019	100.00%	-
47.	DMX Aioliki Marmariou - Agathi LLP	The exploitation of wind energy park in Greece	Greece	2011-2019	100.00%	-
48.	DMX Aioliki Marmariou - Rigani LP	The exploitation of wind energy park in Greece	Greece	2011-2019	100.00%	-

a/a	Name of Company	Activity	Country	Unaudited tax years	Group	Bank
					% holding	% holding
49.	DMX Aioliko Parko Rodopi 2 E.E.	The exploitation of wind energy park in Greece	Greece	2014-2019	100.00%	-
50.	Thriacio Logistics Center S.A.	Logistic Center	Greece	2018-2019	52.00%	-
51.	IMITHEA S.A. (1)	Organization, operation and management of hospital units	Greece	2013-2019	100.00%	100.00%
52.	Tirana Leasing Sh.A.	Finance leases	Albania	2018-2019	100.00%	100.00%
53.	Cielo Consultancy Sh.P.K.	Holding and investment company	Albania	2014-2019	99.09%	-
54.	Beta Asset Management EOOD	Rent and management of real estate	Bulgaria	2013-2019	100.00%	-
55.	Bulfina E.A.D.	Property management	Bulgaria	2008-2019	100.00%	100.00%
56.	Bulfinace E.A.D.	Property Management	Bulgaria	2008-2019	100.00%	-
57.	Delta Asset Management EOOD	Real Estate Development	Bulgaria	2015-2019	100.00%	-
58.	Piraeus Real Estate Bulgaria EOOD	Construction company	Bulgaria	2007-2019	100.00%	-
59.	Varna Asset Management EOOD	Real estate development	Bulgaria	2014-2019	100.00%	-
60.	Asset Management Bulgaria EOOD	Travel - rental services and property management	Bulgaria	2012-2019	100.00%	-
61.	Besticar Bulgaria EOOD	Collects receivables	Bulgaria	2012-2019	100.00%	-
62.	Besticar EOOD	Collects receivables from problematic clients	Bulgaria	2012-2019	100.00%	-
63.	Emerald Investments EOOD	Property management	Bulgaria	2018-2019	100.00%	-
64.	Piraeus Nedvizhimi Imoti EOOD	Real Estate Development	Bulgaria	-	100.00%	-
65.	Piraeus Equity Investment Management Ltd	Investment management	Cyprus	2012-2019	100.00%	-
66.	Arigeo Energy Holdings Ltd	Holding company in renewable energy	Cyprus	2013-2019	100.00%	-
67.	Euroinvestment & Finance Public Ltd	Asset management, real estate operations	Cyprus	2009-2019	90.85%	90.85%
68.	Piraeus Clean Energy Holdings Ltd	Holding Company	Cyprus	2013-2019	100.00%	-
69.	Piraeus Equity Partners Ltd	Holding company	Cyprus	2013-2019	100.00%	100.00%
70.	Piraeus Renewable Investments Limited	Holding company	Cyprus	2016-2019	100.00%	-
71.	PRI WIND I Limited	Holding company	Cyprus	2016-2019	100.00%	-
72.	PRI WIND II Limited	Holding company	Cyprus	2016-2019	100.00%	-
73.	PRI WIND III Limited	Holding company	Cyprus	2016-2019	100.00%	-
74.	R.E. Anodus Two Ltd	Holding and investment company	Cyprus	2013-2019	99.09%	99.09%

a/a	Name of Company	Activity	Country	Unaudited tax years	Group % holding	Bank % holding
75.	Tellurion Ltd	Holding company	Cyprus	2013-2019	100.00%	100.00%
76.	Tellurion Two Ltd	Holding company	Cyprus	2013-2019	99.09%	-
77.	Trieris Two Real Estate Ltd	Holding, Investment and Real Estate Portfolio Management	Cyprus	2011-2019	100.00%	100.00%
78.	Zibeno Investments Ltd	Holding Company	Cyprus	2013-2019	100.00%	-
79.	O.F. Investments Ltd	Investment company	Cyprus	2013-2019	100.00%	-
80.	R.E. Anodus Ltd	Consultancy services for real estate development and investments	Cyprus	2009-2019	100.00%	100.00%
81.	Lakkos Mikelli Real Estate Ltd	Property management	Cyprus	2009-2019	50.66%	40.00%
82.	Philoktimatiki Public Ltd	Land and property development	Cyprus	2015-2019	53.29%	6.39%
83.	Piraeus Clean Energy GP Ltd	General partner of Piraeus Clean Energy LP	Cyprus	2012-2019	100.00%	-
84.	Piraeus Equity Advisors Ltd	Investment advice	Cyprus	2012-2019	100.00%	-
85.	Sunholdings Properties Company Ltd	Land and property development	Cyprus	2018-2019	26.65%	-
86.	Philoktimatiki Ergoliptiki Ltd	Construction company	Cyprus	2015-2019	53.29%	-
87.	WH South Wind Hellas Ltd	The holding of investments in Renewable Energy Sector in Greece	Cyprus	2016-2019	100.00%	-
88.	Emadierio Solar Energy & Investments Ltd	The exploitation of wind energy park in Greece	Cyprus	2016-2019	100.00%	-
89.	Josharton Ltd	Holding of investments	Cyprus	2016-2019	100.00%	-
90.	JSC Piraeus Bank ICB	Banking activities	Ukraine	-	99.99%	99.99%
91.	Akinita Ukraine LLC	Real estate development	Ukraine	2014-2019	100.00%	-
92.	Sinitem LLC	Sale and purchase of real estate	Ukraine	2013-2019	99.94%	-
93.	Solum Enterprise LLC	Property management	Ukraine	2012-2019	99.94%	-
94.	Solum Limited Liability Company	Property management	Ukraine	2018-2019	99.94%	-
95.	Piraeus Leasing Romania S.A.	Monitoring and collection services for loans disbursed by the company	Romania	2003-2019	100.00%	100.00%
96.	Daphne Real Estate Consultancy SRL	Real estate development	Romania	2014-2019	99.09%	-
97.	Priam Business Consultancy SRL	Real estate development	Romania	2014-2019	99.18%	-

a/a	Name of Company	Activity	Country	Unaudited tax years	Group	Bank
					% holding	% holding
98.	Proiect Season Residence SRL	Real estate development	Romania	2012-2019	100.00%	-
99.	R.E. Anodus SRL	Real Estate development	Romania	2013-2019	99.09%	-
100.	Rhesus Development Projects SRL	Real estate development	Romania	2014-2019	99.09%	-
101.	Piraeus Rent Doo Beograd	Operating Leases	Serbia	2007-2019	100.00%	100.00%
102.	Piraeus Real Estate Egypt LLC	Property management	Egypt	2011-2019	100.00%	99.90%
103.	Trieris Real Estate Management Ltd	Management of Trieris Real Estate Ltd	British Virgin Islands	-	100.00%	100.00%
104.	Piraeus Group Capital Ltd	Debt securities issue	United Kingdom	-	100.00%	100.00%
105.	Piraeus Group Finance PLC	Debt securities issue	United Kingdom	-	100.00%	100.00%
106.	Axia Finance III PLC	SPE for securitization of corporate loans	United Kingdom	-	-	-
107.	Axia Finance PLC	SPE for securitization of corporate loans	United Kingdom	-	-	-
108.	Axia III APC LIMITED	SPE for securitization of corporate loans	United Kingdom	-	-	-
109.	Estia Mortgage Finance PLC	SPE for securitization of mortgage loans	United Kingdom	-	-	-
110.	Estia Mortgage Finance II PLC	SPE for securitization of mortgage loans	United Kingdom	-	-	-
111.	Kion Mortgage Finance PLC	SPE for securitization of mortgage loans	United Kingdom	-	-	-
112.	Praxis I Finance PLC	SPE for securitization of consumer loans	United Kingdom	-	-	-
113.	Praxis II APC LIMITED	SPE for securitization of consumer loans	United Kingdom	-	-	-
114.	Praxis II Finance PLC	SPE for securitization of consumer loans	United Kingdom	-	-	-
115.	Piraeus Asset Management Europe S.A.	Mutual funds management	Luxemburg	-	100.00%	99.94%

Note (1): Classified as a discontinued operation (see Note 12).

The subsidiaries duly numbered 106 - 114 are special purpose vehicles for securitization of loans and advances to customers and issuance of debt securities. The subsidiary duly numbered 85 although presenting less than 50.00% Group's shareholding, is included in the Group's subsidiaries' portfolio due to majority presence in the Board of Directors of the company.

Furthermore, as at 31 December 2019 the subsidiaries duly numbered 30, 36-37, 52, 58, 65, 83-84, 97 and 100 were under liquidation.

Five subsidiaries, that in aggregate are immaterial to the Group's financial position and results of operations, are not consolidated but recognized at cost. The subsidiaries recognized at cost are as follows: a) "Hellenic Information Systems HIS S.A.", b) "The Museum Ltd.", c) "Axia III Holdings Ltd.", d) "Praxis II Holdings Ltd." and e) "Kion Holdings Ltd.". The consolidation of the above mentioned companies would not have a significant effect on the Consolidated Statement of Financial Position and Consolidated Income Statement since the sum of total net income, the sum of total equity and the sum of total assets of the abovementioned companies comprises less than 0.01% of the Group's respective balances, based on their most recent financial statements.

The movement for investments in subsidiaries for the Bank is analyzed as follows:

	Bank	
	31/12/2019	31/12/2018
Opening balance	602	811
Additions	-	1
Participation in share capital increases/ decreases of subsidiaries	4	1
Disposals	(3)	(2)
Impairment charge	(17)	(60)
Transfers to held for sale portfolio	-	(148)
Closing balance	**586**	**602**

Annual Financial Statements of Subsidiaries

The Annual Financial Reports of the subsidiaries of the Piraeus Bank Group for the year ended 31 December 2019 which were finalized prior to the date of the issuance of the annual financial report of the year 2019, are available on the web site of Piraeus Bank at www.piraeusbankgroup.com in the section Investor Relations, in the subsection Financial Data - Financial Statements & Other Information - Consolidated Companies. The Annual Financial Reports of the remaining subsidiaries of the Piraeus Bank Group will be available on the web site of Piraeus Bank when these will be finalized.

Changes in the interest in subsidiary companies that did not result in loss of control

The effect of the change in the ownership interest in subsidiary companies, which did not result in loss of control, is not material to the equity attributable to the shareholders of the Bank during the financial years 2019 and 2018.

Consequences of loss of control of a subsidiary company due to disposal

The most significant cases of loss of control of subsidiary companies due to disposal, in the financial years 2019 and 2018, are the following:

1/1 - 31/12/2019	Consideration	Group's gain/ (loss) from the disposal
Tirana Bank I.B.C.	57	5
Piraeus Bank Bulgaria A.D.	77	5
Gama Asset Management EOOD	2	0
Intrum Hellas REO Solutions S.A.	34	41
Intrum Hellas Credit Servicing S.A.	276	310

The gain from the loss of control for the companies Gama Asset Management EOOD, Intrum Hellas REO Solutions S.A. and Intrum Hellas Credit Servicing S.A. was recognized in "Gain/(loss) from disposal of subsidiaries, associates and businesses" line item of the income statement. The gain from loss of control for the companies Tirana Bank I.B.C. and Piraeus Bank Bulgaria A.D. is recorded in the line "Profit/ (loss) after income tax from discontinued operations".

1/1 - 31/12/2018	Consideration	Group's gain/ (loss) from the disposal
Piraeus Bank Romania S.A.	44	(100)
Piraeus Insurance and Reinsurance Brokerage S.A.	27	18
Piraeus Direct Services S.A.	1	1
Piraeus ACT Services S.A.	1	1
Piraeus Bank Beograd A.D.	61	(53)
Olympic Commercial & Tourist Enterprises S.A.	81	(5)
Piraeus Leasing Doo Beograd	-	1
Sentinel Advisors S.A.	3	0
Special Financial Solutions S.A.	0	(0)
Piraeus Real Estate Tirana Sh.P.K.	0	(0)
Alecsandri Estates SRL	55	(3)
Yota Assets Ltd	3	0

Significant restrictions of subsidiary companies

With respect to the domestic subsidiaries of Piraeus Bank Group, except for the restrictions imposed by the regulatory framework in which the Group's subsidiary companies operate, no other significant legal, contractual, or regulatory restrictions are imposed regarding the transfer of cash in the form of dividends, the transfer of funds, and so on, as well as the repayment of loans that have been issued within the Group.

In general, there are restrictions concerning dividend distribution, by foreign subsidiary bank, while there are no restrictions in the repayment of their loans that have been granted by another company of the Group, even before their maturity.

Significant non-controlling interests

There are significant non-controlling interests for the subsidiary companies ETVA Industrial Parks S.A., Lakkos Mikelli Real Estate LTD and Euroterra S.A. The ownership interest of non-controlling investors in these companies is equivalent to the respective percentage of voting rights. The percentage of non-controlling interests and the respective carrying value on 31 December 2019, as well as the profit or loss attributed to non-controlling interests for the year 2019 compared to the year 2018 for the aforementioned subsidiaries, are the following:

Company name	% non-controlling interests		Carrying value of non-controlling interests		Gain/ (losses) attributed to non-controlling interests	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018	2019	2018
ETVA Industrial Parks S.A.	35.00%	35.00%	68	71	(3)	(5)
Lakkos Mikelli Real Estate Ltd	49.34%	49.34%	30	30	0	(0)
Euroterra S.A.	37.10%	37.10%	17	17	0	(3)

The table that follows presents the consolidated financial data (before the elimination of intercompany transactions) of the aforementioned subsidiaries:

Condensed Statement of Total Comprehensive Income	ETVA Industrial Parks S.A.		Lakkos Mikelli Real Estate Ltd		Euroterra S.A.	
	2019	2018	2019	2018	2019	2018
Profit/ (loss) for the year	(9)	(15)	1	(1)	1	(8)
Other comprehensive income, net of tax	(0)	(0)	-	-	-	-
Total comprehensive income for the year, net of tax	**(9)**	**(15)**	**1**	**(1)**	**1**	**(8)**

Condensed Statement of Financial Position	ETVA Industrial Parks S.A.		Lakkos Mikelli Real Estate Ltd		Euroterra S.A.	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Current assets	63	63	6	5	0	0
Non current assets	166	162	69	69	98	97
Total Assets	**229**	**226**	**75**	**74**	**98**	**98**
Current liabilities	6	7	3	3	13	8
Non current liabiliies	30	16	6	6	19	25
Total liabilities	**36**	**23**	**10**	**10**	**33**	**33**

Condensed Cash Flow Statement	ETVA Industrial Parks S.A.		Lakkos Mikelli Real Estate Ltd		Euroterra S.A.	
	2019	2018	2019	2018	2019	2018
Net cash inflow/ (outflow) from operating activities	2	(4)	-	-	0	(0)
Net cash inflow/ (outflow) from investing activities	(2)	(1)	-	-	-	-
Net cash inflow/ (outflow) from financing activities	-	-	-	-	-	-
Net increase/ (decrease) in cash and cash equivalents	**(1)**	**(5)**	**0**	**0**	**0**	**(0)**
Cash and cash equivalents at the beginning of the year	**54**	**59**	**-**	**-**	**0**	**0**
Cash and cash equivalents at the end of the year	**53**	**54**	**0**	**0**	**0**	**0**

Consolidated structured entities

The Group controls and as a result consolidates four structured entities, which were established in order to perform securitization transactions for mortgage, corporate and consumer loans.

These special purpose entities ("SPVs") were established in order to assist in the liquidity enhancement of the Group. As of 31 December 2019, the Group possesses the securitizations of Axia I, Praxis I and Praxis II, while the securitization of Kion has been sold to investors with the Group possessing the majority of it.

The securitization of Kion was obtained as part of the acquisition of Millennium Bank and the Group continues servicing it.

Depending on the criteria that should be satisfied by each securitized loan portfolio, the Group takes the necessary actions arising from its contractual responsibilities. Such actions may consist of loan replacements or even the inclusion of new loans if deemed necessary.

It is the intention of the Group to continue this practice, in order for securitizations to continue serving as tools of enhancing liquidity.

The Group has established the structured entity PIRAEUS SNF Designated Activity Company that includes non-performing loans (mortgage, corporate and consumer). This company is consolidated at the Bank level.

The following table presents the carrying value of bonds held by the Group that were issued by the SPVs:

Company name	Carrying value of held bonds	
	31/12/2019	31/12/2018
Axia Finance PLC	250	250
Axia Finance III PLC [1]	-	235
Praxis I Finance PLC	190	217
Praxis II Finance PLC	370	370
Estia Mortgage Finance PLC [1]	-	81
Estia Mortgage Finance II PLC [1]	-	529
Kion Mortgage Finance PLC	15	26
Total	**825**	**1,708**

[1] For further information, refer to Note 31.

Interests in unconsolidated structured entities

As of 31 December 2019, the Group has investments in open ended mutual funds that are managed by its 100% subsidiary company "Piraeus Asset management AEDAK" and «Piraeus Asset Management Europe SA». The management of mutual funds is performed on behalf of "Piraeus Asset management AEDAK".

The management of mutual funds is performed in the frame of investment strategy referred to the regulation of every mutual fund and carried out in holders' interests. As a result, the Group acts as their representative (agent) and has no control according to the provisions of IFRS 10. Therefore, the interests in the mutual funds have been classified in the fair value through profit and loss (FVTPL) portfolio. Mutual funds meet the definition of special structured entities.

The Group does not guarantee the returns of the mutual funds and is under no obligation to finance them. Therefore, the Group's maximum exposure to risk is limited to the carrying value of the mutual funds as at 31 December 2019 amounting to € 76 million (31 December 2018: € 52 million).

The Group also participates in other investment funds, which it does not manage. The carrying value of these investment funds as at 31 December 2019 amounted to € 19 million (31 December 2018: € 27 million). In addition, under the contractual commitments arising from the ownership interest in the previously mentioned investment funds, the Group, if so requested, is responsible for settling a residual amount of € 2 million (31 December 2018: € 3 million) resulting from the initial binding agreement.

Apart from this commitment, no other significant commitments may arise. At the reporting date of the financial statements, it is evaluated whether the Group controls mutual or investment funds, in accordance with the requirements of IFRS 10.

In the following table is presented the mutual funds in which Group participates and their total assets are presented as of 31 December 2019 and 2018, respectively:

Mutual funds	Total Assets	
	31/12/2019	31/12/2018
Piraeus Insurance Portfolios Balanced Fund (I)	7	1
Piraeus Institutional Domestic Equity Fund (I)	1	0
Piraeus Equity Fund of Funds	21	14
Piraeus Bond Fund of Funds	22	19
Piraeus International Balanced Fund of Funds	-	27
Piraeus Domestic Equity Fund	92	44
Piraeus US Equity Fund	11	6
Piraeus Short Term Money Market Fund	-	22
Piraeusinvest Enhanced Liquidity USD Fund Retail	12	15
Piraeusinvest Enhanced Liquidity EUR Fund Retail	39	70
Piraeusinvest Global Balanced for Retail	12	13
Piraeusinvest Global Aggressive Balanced FOF Retail	8	9
Piraeusinvest Global Conservative Balanced FOF Retail	10	11
Piraeus Balanced Defensive Strategy Fund of Funds (I)	31	0
Piraeus Fund of Funds Emerging Markets Equity Fund (I)	6	0
Piraeus Global Corporate Bond Fund (I)	3	-
Piraeus Global Sovereign Bond Fund (I)	12	-
Piraeus Dynamic Companies Domestic EQ (I)	8	-
Total	**295**	**251**

The income from acquisition, disposal and management fees of the mutual funds above, recognized in consolidated income statement of the Group, amounted to € 3 million both in the years 2019 and 2018.

B) Associate companies and joint ventures (equity accounting method) from continuing operations

Associate companies

The associate companies that the Group consolidates through the equity accounting method are as follows:

s/n	Name of Company	Activity	Country	Unaudited tax years	Group	Bank
					% Holding	% Holding
1	Piraeus - TANEO Capital Fund	Close end Venture capital fund	Greece	-	50.01%	50.01%
2	PJ Tech Catalyst Fund	Close end Venture capital fund	Greece	-	30.00%	-
3	APE Commercial Property Real Estate Tourist and Development S.A.	Holding company	Greece	2013-2019	27.80%	27.80%
4	Marfin Investment Group Holdings S.A.	Holding company	Greece	2013-2019	31.28%	31.19%

s/n	Name of Company	Activity	Country	Unaudited tax years	Group	Bank
					% Holding	% Holding
5	Omicron Cyclos Ena Symmetohiki S.A.	Holding company	Greece	2013-2019	28.10%	28.10%
6	APE Fixed Assets Real Estate Tourist and Development S.A.	Real estate, development/ tourist services	Greece	2013-2019	27.80%	27.80%
7	APE Investment Property S.A.	Real estate, development/ tourist services	Greece	2013-2019	28.92%	28.92%
8	Olganos Real Estate S.A.	Property management/electricity production from hydropower stations	Greece	2014-2019	32.27%	32.27%
9	Pyrrichos S.A.	Property management	Greece	2013-2019	50.77%	50.77%
10	Exodus S.A.	Information technology & software	Greece	2013-2019	49.90%	49.90%
11	Evros' Development Company S.A.	European community programs management	Greece	2014-2019	30.00%	30.00%
12	Gaia S.A.	Software services	Greece	2017-2019	26.00%	-
13	Crete Scient. & Tech. Park Manag. & Dev. Co. S.A.	Scientific and technology park management	Greece	2013-2019	30.45%	30.45%
14	Intrum Hellas REO Solutions S.A.	Real Estate	Greece	-	19.96%	19.96%
15	Intrum Hellas Credit Servicing S.A.	Credit and Loan Servicing	Greece	-	20.00%	20.00%
16	Teiresias S.A.	Interbanking company of development, operation and management of information systems	Greece	2013-2019	23.53%	23.53%
17	Trastor Real Estate Investment Company	Real estate investment property	Greece	2013-2019	39.39%	39.39%
18	Pireaus Direct Services S.A.	Support and e-commerce services, trade of time renewal cards	Greece	2013-2019	49.90%	49.90%
19	Trieris Real Estate Ltd	Property management	British Virgin Islands	2018-2019	32.37%	32.37%
20	Exus Software Ltd	IT products retailer	United Kingdom	2018-2019	49.90%	49.90%
21	Inofita Asopos Business Park Development Company S.A.	Business Park Development	Greece	-	24.50%	-

The Group exercises significant influence but does not control any of the companies listed above. This holds even for the companies dully numbered 1 and 9, where the Group's shareholding and voting rights exceed 50%.

On 6 September 2019 and 16 September 2019, the Bank incorporated "Alternative REO Solutions single-member S.A." and "Alternative Financial Solutions S.A.", respectively. The assets and liabilities of the Bank's NPE business were spinned-off and contributed in kind into the latter on the date of its incorporation. On 23 October 2019, the disposal of the Bank's controlling stake on its NPE business and REO company was completed and an 80% shareholding plus one share on the said companies was transferred to Intrum Holding Spain S.A.U.. The substance of the companies' incorporation was solely to facilitate the disposal of the Bank's NPE business to Intrum Holding Spain S.A.U., hence the aforementioned transactions were accounted for, in their entirety as a single transaction, on the date that the Bank lost control over its NPE business and REO company, i.e. 23 October 2019. On 23 October 2019, Alternative Financial Solutions S.A. and Alternative REO Solutions single-member S.A. were renamed to Intrum Hellas Credit Servicing S.A. and Intrum Hellas REO Solutions S.A., respectively. Subsequent to 23 October 2019, the Bank retains a 20% shareholding less one share and exercises significant influence, hence both companies were accounted for as associates as of 31 December 2019 and consolidated in the Group's financial statements with the equity accounting method, while the gain before tax from the aforementioned transaction amounted to € 351 million.

The associate company NGP Plastic S.A., that is immaterial to the Group's financial position and results of operations, is not consolidated but recognised at cost. This immaterial associate accounted for less than 0.24% of Group total net income, less than 0.03% of Group total equity and less than 0.04% of Group total assets, based on the most recent financial statements obtained.

The changes in the portfolio of consolidated companies are presented in Note 45.

Joint ventures

The joint ventures that the Group consolidates are as follows:

s/n	Name of Company	Activity	Country	Unaudited tax years	Group	Bank
					% Holding	% Holding
1	AEP Elaiona S.A.	Property management	Greece	2012-2019	50.00%	-
2	Peirga Kythnou P.C.	Real estate	Greece	-	50.00%	50.00%

Interests in significant associate companies and joint ventures

The Group does not have ownership interests in associate companies and joint ventures, considered significant either due to their financial figures or due to potentially strategic importance.

Interests in non-significant associate companies and joint ventures

The total carrying value of interests in associates and joint ventures for the Group and the Bank, as at 31 December 2019, amounts to € 264 million and € 255 million, respectively (31 December 2018: € 162 million and € 179 million for the Group and the Bank, respectively).

The following table presents in total the proportion of the Group in the after tax results and in total comprehensive income for the year, of its associate companies as at 31 December 2019 and 2018. The data reported by the associate companies for consolidation purposes, is prepared in accordance with the IFRSs and is adjusted (if necessary) in order to comply with the accounting policies of the Group.

Condensed financial information	2019	2018
Share of Profit/ (loss) of associates and joint ventures after tax	5	15
Other comprehensive income	0	1
Items that may be reclassified subsequently to profit or loss	0	1
Items that will not be reclassified subsequently to profit or loss	0	(1)
Total comprehensive income	**5**	**15**

Other information for associate companies and joint ventures

The Group discontinues to recognise its share of further losses in associate companies, when its share of losses equals or exceeds its interest in the associate. The cumulative amount of unrecognised losses from associate companies on 31 December 2019 amounted to € 29 million (31 December 2018: € 38 million). If the associate subsequently reports profits, the Group resumes recognizing its share of those profits only after its share of the profits equals the share of losses not recognized.

There are no significant contingent liabilities that relate to the participation of the Group in associate companies and joint ventures.

There are no unrecognised commitments of the Group related to its participation in joint ventures that could result in future outflow of cash or other resources.

There are no significant restrictions in the ability of associates or joint ventures to transfer equity to the company in the form of dividends or to pay loans that have been granted by the Group, apart from the usual in force restrictions imposed on their framework of operation and the applicable legislation.

Movement on investment in associates and joint ventures

	Group		Bank	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Opening balance	162	251	179	246
Additions and participation in share capital increases/ decreases	88	29	86	25
Disposals	(5)	(61)	(2)	(61)
Share of profit/ (loss) of associates and joint ventures after tax	5	15	-	-
Transfers from subsidiary companies	-	0	-	-
Impairment	0	(50)	(8)	(32)
Foreign exchange differences and other adjustments	14	(21)	-	-
Closing balance	**264**	**162**	**255**	**179**

The “Additions and participation in share capital increases/ decreases" during 2019 mainly relates to the Bank’s associates Intrum Hellas Credit Servicing S.A., Intrum Hellas REO Solutions S.A. and Trastor Real Estate Investment Company.

Basic financial data of the associates and the joint ventures

			31/12/2019				
s/n	Name of Company	Country	Participation %	Profit/ (loss) before tax	Total revenues	Total assets	Total liabilities
1	Crete Scient. & Tech. Park Manag. & Dev. Co. S.A.	Greece	30.45%	0	0	0	0
2	Evros' Development Company S.A.	Greece	30.00%	(0)	0	1	1
3	APE Commercial Property Real Estate Tourist and Development S.A.	Greece	27.80%	(0)	0	6	0
4	APE Fixed Assets Real Estate Tourist and Development S.A.	Greece	27.80%	(0)	-	49	4
5	Trieris Real Estate LTD	British Virgin Islands	32.37%	0	0	18	1
6	APE Investment Property S.A.	Greece	28.92%	(0)	-	170	8
7	Omicron Cyclos Ena Symmetohiki S.A.	Greece	28.10%	(4)	0	115	140
8	Exodus S.A.	Greece	49.90%	(1)	4	10	10
9	Piraeus - TANEO Capital Fund	Greece	50.01%	(1)	0	2	0
10	Teiresias S.A.	Greece	23.53%	0	18	12	11
11	PJ Tech Catalyst Fund	Greece	30.00%	0	1	13	1
12	Pyrrichos S.A.	Greece	50.77%	(0)	0	5	18
13	Pireaus Direct Services S.A.	Greece	49.90%	1	20	5	3
14	Gaia S.A.	Greece	26.00%	0	25	9	4
15	Olganos S.A.	Greece	32.27%	(0)	0	9	10
16	Exus Software Ltd	United Kingdom	49.90%	0	4	3	2
17	Marfin Investment Group Holding S.A.	Greece	31.28%	*	*	*	*
18	Intrum Hellas REO Solutions S.A.	Greece	19.96%	0	1	52	9
19	Intrum Hellas Credit Servicing S.A.	Greece	20.00%	23	52	407	47
20	Trastor Real Estate Investment Company	Greece	39.39%	14	24	220	98
21	AEP ELAIONA S.A.	Greece	50.00%	(2)	(0)	112	107
22	Inofita Asopos Business Park Development Company S.A.	Greece	24.50%	(0)	-	0	0
23	Peirga Kythnou P.C.	Greece	50.00%	(0)	-	2	0

(*) Upon the approval of the Annual Financial Statements, the listed associated company Marfin Investment Group Holdings S.A. had not published its annual financial statements for the year 2019.

s/n	Name of Company	Country	31/12/2018				
			Participation %	Profit/ (loss) before tax	Total revenues	Total assets	Total liabilities
1	Crete Scient. & Tech. Park Manag. & Dev. Co. S.A.	Greece	30.45%	0	0	0	0
2	Evros' Development Company S.A.	Greece	30.00%	(0)	0	1	1
3	APE Commercial Property Real Estate Tourist and Development S.A.	Greece	27.80%	(0)	0	6	0
4	APE Fixed Assets Real Estate Tourist and Development S.A.	Greece	27.80%	1	0	49	5
5	Trieris Real Estate LTD	British Virgin Islands	32.37%	1	1	22	5
6	APE Investment Property S.A.	Greece	28.92%	(2)	-	171	8
7	Omicron Cyclos Ena Symmetohiki S.A. (former Sciens International Investments & Holding S.A.)	Greece	28.10%	(4)	0	115	140
8	Exodus S.A.	Greece	49.90%	(1)	6	12	10
9	Piraeus - TANEO Capital Fund	Greece	50.01%	1	-	6	0
10	Teiresias S.A.	Greece	23.53%	0	15	9	8
11	PJ Tech Catalyst Fund	Greece	30.00%	2	-	13	1
12	Pyrrichos S.A.	Greece	50.77%	(1)	0	5	18
13	Pireaus Direct Services S.A.	Greece	49.90%	1	16	5	3
14	Gaia S.A.	Greece	26.00%	1	26	9	5
15	Olganos S.A.	Greece	32.27%	(2)	0	9	10
16	Exus Software Ltd	United Kingdom	49.90%	(0)	4	1	1
17	Marfin Investment Group Holding S.A.	Greece	31.57%	(55)	1,037	2,258	1,910
18	Selonda Aquaculture S.A.	Greece	32.92%	(35)	161	249	273
19	Nireus Aquaculture S.A.	Greece	32.23%	(15)	197	392	243
20	Trastor Real Estate Investment Company	Greece	39.39%	4	9	118	35
21	Unisoft S.A.	Greece	23.07%	(5)	7	7	36
22	AEP ELAIONA S.A.	Greece	50.00%	(2)	-	107	106

24 Intangible assets

	Group				Bank			
	Goodwill	Software	Other intangible	Total	Goodwill	Software	Other intangible	Total
Cost								
At 1 January 2018	41	561	77	679	5	544	36	585
Reclassified to discontinued operations	0	(5)	(27)	(32)	-	-	-	0
Additions	0	31	0	31	-	31	-	31
Transfers	0	27	(0)	27	-	27	-	27
Disposals and write-offs	(0)	(14)	(0)	(15)	-	(14)	-	(14)
Impairment	0	(10)	0	(10)	-	(10)	-	(10)
Other movements	1	(1)	(1)	(1)	-	-	-	0
At 31 December 2018	**42**	**590**	**49**	**681**	**5**	**579**	**36**	**620**
Reclassified to discontinued operations	-	-	-	0	-	-	-	0
Additions	-	21	0	21	-	21	0	21
Transfers	-	33	-	33	-	33	-	33
Disposals and write-offs	(0)	(8)	(0)	(8)	-	(7)	-	(7)
Impairment	(5)	0	(0)	(5)	(5)	0	0	(5)
Other movements	0	0	0	**0**	-	-	-	**0**
At 31 December 2019	**37**	**637**	**49**	**723**	**0**	**625**	**36**	**661**
Accumulated amortisation								
At 1 January 2018	0	(318)	(60)	(379)	-	(305)	(24)	(329)
Reclassified to discontinued operations	0	3	24	27	-	-	-	0
Amortisation charge	0	(48)	(2)	(50)	-	(48)	(2)	(50)
Disposals and write-offs	-	12	0	12	-	12	-	12
Other movements	-	1	0	1	-	0	-	0
At 31 December 2018	**0**	**(351)**	**(38)**	**(389)**	**0**	**(341)**	**(26)**	**(367)**
Reclassified to discontinued operations	-	-	-	0	-	-	-	0
Amortisation charge	-	(47)	(4)	(51)	-	(46)	(4)	(50)
Disposals and write-offs	-	4	0	4	-	4	-	4
Other movements	-	(0)	(0)	(0)	-	-	-	0
At 31 December 2019	**0**	**(394)**	**(42)**	**(436)**	**0**	**(383)**	**(30)**	**(413)**
Net book value								
At 31 December 2018	**42**	**239**	**11**	**292**	**5**	**237**	**10**	**252**
At 31 December 2019	**37**	**243**	**7**	**287**	**0**	**242**	**6**	**248**

During 2019, an impairment loss of € 5 million was recognized for Panellinia Bank S.A. The most significant balance of the Group's goodwill as at 31 December 2019 is € 27 million and relates to the group of subsidiaries of WH South Wind Hellas Ltd. The remaining amount of € 10 million is allocated to certain subsidiaries which do not carry a significant amount of goodwill on an individual basis.

25 Property and equipment

Group	Land and buildings	Equipment and other tangible assets	Right of use assets	Assets under construction	Leasehold improvements	Total
Cost						
At 1 January 2018	782	398	-	64	228	1,472
Reclassified to discountinued operations	(5)	(32)	-	0	(22)	(58)
Acquisition of subsidiaries	13	0	-	0	0	13
Additions	35	18	-	32	12	97
Transfers	(22)	0	-	(27)	(0)	(50)
Disposals and write-offs	(15)	(7)	-	(0)	(10)	(31)
Impairment	(8)	(0)	-	0	(12)	(21)
Other movements	0	1	-	0	0	1
At 31 December 2018	**779**	**378**	-	**69**	**197**	**1,423**
Reclassification and adjustment due to adoption of IFRS 16	(58)	(4)	171	0	0	109
At 1 January 2019 (adjusted)	**721**	**374**	**171**	**69**	**197**	**1,532**
Additions	10	20	15	19	4	68
Transfers	(21)	1	0	(34)	1	(54)
Disposals and write-offs	(13)	(9)	(2)	0	(4)	(29)
Impairment	(2)	(0)	0	(2)	(6)	(9)
Other movements	0	(0)	0	0	0	1
At 31 December 2019	**695**	**386**	**184**	**52**	**192**	**1,509**
Accumulated depreciation						
At 1 January 2018	(111)	(215)	-	-	(105)	(431)
Reclassified to discountinued operations	3	28	-	-	20	51
Depreciation charge for the year	(12)	(34)	-	-	(7)	(52)
Transfers	3	0	-	-	0	3
Disposals and write-offs	0	6	-	-	9	15
Other movements	(0)	0	-	-	(0)	0
At 31 December 2018	**(116)**	**(215)**	**-**	-	**(82)**	**(413)**
Reclassification and adjustment due to adoption of IFRS 16	39	4	(43)	-	0	0
At 1 January 2019 (adjusted)	**(77)**	**(211)**	**(43)**	-	**(82)**	**(413)**
Depreciation charge for the year	(8)	(32)	(25)	-	(6)	(71)
Transfers	3	0	0	-	(0)	3
Disposals and write-offs	5	6	1	-	4	16
Other movements	(0)	(1)	(0)	-	(0)	(1)
At 31 December 2019	**(78)**	**(237)**	**(67)**	**0**	**(84)**	**(465)**
Net book value						
At 31 December 2018	**663**	**163**	**-**	**69**	**115**	**1,010**
At 31 December 2019	**617**	**149**	**117**	**52**	**108**	**1,044**

Bank	Land and buildings	Equipment and other tangible assets	Right of use assets	Assets under construction	Leasehold improvements	Total
Cost						
At 1 January 2018	637	287	-	59	204	1,187
Additions	34	17	-	27	12	90
Transfers	(12)	0	-	(27)	(0)	(39)
Disposals and write-offs	(15)	(6)	-	0	(9)	(30)
Impairment	(1)	(0)	-	0	(12)	(14)
At 31 December 2018	**643**	**298**	-	**59**	**194**	**1,195**
Reclassification and adjustment due to adoption of IFRS 16	(4)	(4)	168		0	160
At 1 January 2019 (adjusted)	**639**	**295**	**168**	**59**	**194**	**1,355**
Additions	10	14	11	20	4	59
Transfers	0	1	0	(34)	1	(32)
Disposals and write-offs	(7)	(8)	(2)	0	(4)	(22)
Impairment	(2)	(0)	0	0	(6)	(7)
At 31 December 2019	**641**	**302**	**177**	**45**	**189**	**1,353**
Accumulated depreciation						
At 1 January 2018	(41)	(164)	-	-	(84)	(289)
Depreciation charge for the year	(7)	(30)	-	-	(6)	(43)
Transfers	(0)	0	-	-	0	0
Disposals and write-offs	0	5	-	-	9	14
At 31 December 2018	**(48)**	**(189)**	**-**	-	**(81)**	**(318)**
Reclassification and adjustment due to adoption of IFRS 16	2	4	(6)	-	0	0
At 1 January 2019 (adjusted)	**(46)**	**(185)**	**(6)**	-	**(81)**	**(318)**
Depreciation charge for the year	(7)	(28)	(27)	-	(6)	(67)
Transfers	0	0	0	-	(0)	0
Disposals and write-offs	0	6	1	-	4	11
At 31 December 2019	**(53)**	**(207)**	**(32)**	**0**	**(82)**	**(374)**
Net book value						
At 31 December 2018	**595**	**110**	**-**	**59**	**113**	**877**
At 31 December 2019	**589**	**95**	**144**	**45**	**107**	**979**

The “Right of use assets” includes an amount of € 111 million for the Group and € 140 million for the Bank, which refers to Land and Buildings under Leases.

26 Investment property

	Group			Bank
	Owned property	Right-of-use assets	Total	Owned property
At 1 January 2018	1,121	-	1,121	400
Reclassified to discountinued operations	(1)	-	(1)	-
Net losses from fair value measurement (Note 9)	(31)	-	(31)	(8)
Additions	52	-	52	19
Transfers	15	-	15	24
Disposals and write-offs	(22)	-	(22)	(17)
Disposal of subsidiaries	(56)	-	(56)	-
Other movements	1	-	1	-
At 31 December 2018	**1,079**	**-**	**1,079**	**418**
Reclassification due to adoption of IFRS 16	(87)	87	-	-
At 1 January 2019 (adjusted)	**992**	**87**	**1,079**	**418**
Net losses from fair value measurement (Note 9)	(0)	(4)	(4)	(2)
Additions	31	-	31	21
Transfers	25	-	25	15
Disposals and write-offs	(22)	-	(22)	(4)
Other movements	3	-	3	-
At 31 December 2019	**1,029**	**83**	**1,112**	**447**

For information on the rental income recognised from investment property, refer to Note 9. The direct operating expenses recognised in the income statement for both the years ended 31 December 2019 and 2018, arising from investment property that generated rental income, amounted to € 4 million and € 3 million for the Group and the Bank, respectively, while direct operating expenses recognised by both the Group and the Bank related to investment property that did not generate income amounted to € 2 million for both the years ended 31 December 2019 and 2018.

The fair value measurements of investment property are categorized within Level 3 of the fair value hierarchy. Refer to Note 3.1 for additional information on how the Group determines the fair value of its investment property.

27 Assets held for sale

Loans portfolio

The Bank initiated in 2018 and 2019 the process for the disposal of seven loans portfolios, as described below:

Loan Portfolio Chios

During 2018, the Bank entered into an agreement for the disposal of non-performing and denounced corporate loans, secured with real estate collateral, equivalent to € 110 million total claims. The loans with carrying amount as at 31 December 2018 of € 39 million met the criteria to be classified as Held for sale according to IFRS 5 and were included in the operating segment of " NPEMU" of Note 5 "Segment Analysis".

In August 2019, the Bank completed the disposal of the first part of the portfolio (Portfolio A), amounting to € 93 million total claims. The result from the said disposal, after taking into consideration the transactions costs, was immaterial and it was recognized in the caption “Net other income/ (expenses)”. The second part of the portfolio (Portfolio B), still outstanding as at 31 December 2019 with total claims and carrying amount of € 19 million and € 12 million, respectively is expected to be completed in 2020. The operating segment which includes the aforementioned portfolio B is “NPEMU”, as it is presented in Note 5 “Segment Analysis”.

Loan Portfolio Clover

During 2018, the Bank entered into an agreement for the disposal of non-performing and denounced corporate loans, secured with ordinary shares of private companies and real estate collaterals, equivalent to € 58 million total legal claims. The loans with carrying amount as at 31 December 2018 of € 12 million met the criteria to be classified as Held for sale according to IFRS 5 and were included in the operating segment of “ NPEMU” of Note 5 “Segment Analysis”.

In March 2019, the Bank completed the disposal of the aforementioned portfolio.

Loan Portfolio Nemo

During 2018, the Bank entered into an agreement for the disposal of non-performing and denounced corporate and shipping loans, secured with vessels and real estate collaterals. The loans with carrying amount as at 31 December 2018 of € 253 million met the criteria to be classified as Held for sale according to IFRS 5 and were included in the operating segment of “ NPEMU” and “Corporate Banking” of Note 5 “Segment Analysis”.

In July 2019, the Bank completed the disposal of the aforementioned portfolio, of € 535 million total legal claims

Loan Portfolio Iris

During 2019, the Bank in cooperation with Piraeus Leasing S.A. and Piraeus Financial Leases S.A. initiated an active programme for the disposal of a portfolio mainly consisting of non-performing and denounced loans, partially secured with real estate collaterals, equivalent to € 1.8 billion total legal claim. The loans with carrying amount as at 31 December 2019 of € 71 million and € 76 million for the Bank and the Group, respectively met the criteria to be classified as Held for sale according to IFRS 5 and were included in the operating segment of “ NPEMU” of Note 5 “Segment Analysis”.

Loan Portfolio Kalypso

During 2019, the Bank initiated an active programme for the disposal of a non-performing and denounced corporate loan portfolio, secured with real estate collaterals, equivalent to € 69 million total legal claims. The loans with carrying amount as at 31 December 2019 of € 41 million met the criteria to be classified as Held for sale according to IFRS 5 and were included in the operating segment of “ NPEMU” of Note 5 “Segment Analysis”.

Loan Portfolio Trinity

During 2019, the Bank initiated an active programme for the disposal of a non-performing and denounced corporate loan portfolio, secured with real estate collaterals, equivalent to € 760 million total legal claims. The loans with carrying amount as at 31 December 2019 of € 119 million met the criteria to be classified as Held for sale according to IFRS 5 and were included in the operating segment of “ NPEMU” of Note 5 “Segment Analysis”.

Portfolio Violet

During 2019, the Bank initiated an active programme for the disposal of a non-performing "single ticket", secured with ordinary shares and real estate collaterals, with a total exposure equivalent to € 137 million, as well as equity shares and debt securities. The loan with carrying amount as at 31 December 2019 of € 16 million met the criteria to be classified as Held for sale according to IFRS 5 and was included in the operating segment of " NPEMU" of Note 5 "Segment Analysis".

	Group		Bank	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Loans and advances to customers	264	304	259	304
Fixed Assets	0	3	-	-
Investments in subsidiaries	-	-	-	124
Total	**264**	**307**	**259**	**428**

28 Other assets

	Group		Bank	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Inventories - property	1,375	1,316	893	799
Accumulated impairment of inventories - property	(192)	(217)	(122)	(126)
Net amount of inventories - property (A)	**1,183**	**1,099**	**771**	**673**
Inventories - cars	0	1	-	-
Other inventories	41	41	30	27
Other inventories and Inventories - cars	41	42	30	27
Accumulated impairment of other inventories and Inventories - cars	(7)	(11)	-	-
Net amount of other inventories and Inventories - cars (B)	**34**	**31**	**30**	**27**
Total Net amount of inventories (A) + (B)	**1,217**	**1,130**	**801**	**700**
Prepaid Expenses	42	48	40	48
Accrued income	26	33	29	30
Claims from tax authorities and the State	8	3	3	0
Credit Cards	82	150	82	150
Deposit and Investment Guarantee Fund	821	818	821	818
Receivables from third party	1	23	-	0
Other	446	404	434	401
Non financial other receivables	1,426	1,478	1,409	1,446
Accumulated impairment of other receivables	(62)	(57)	(55)	(51)
Net amount of non financial other receivables (C)	**1,364**	**1,422**	**1,355**	**1,395**
Claims from the Greek State	367	317	365	315
Credit Cards	120	98	120	98
Accrued income	50	102	46	84
Receivables from Subsidiaries	-	-	144	187
Receivables from third party	132	117	2	1
Other	526	515	455	475
Financial Instruments	1,194	1,149	1,133	1,160
ECL Allowance of financial assets	(254)	(243)	(171)	(164)
Net amount of financial assets (D)	**940**	**906**	**962**	**997**
Other assets (A) + (B) + (C) + (D)	**3,521**	**3,458**	**3,118**	**3,092**
of which:				
Current	1,040	948	960	905
Non-current	1,264	1,108	1,357	1,215

Inventories property as at 31 December 2019 for the Group and the Bank amounts to € 1,183 million and € 771 million, respectively (31 December 2018: € 1,099 million and € 673 million for the Group and the Bank respectively) mainly comprise of properties acquired through auctions by the Group and the Bank.

The accumulated impairment of inventories property amounting to € 192 million and € 122 million for the Group and the Bank, respectively (31 December 2018: € 217 million and € 126 million for the Group and the Bank respectively), relate to the difference between cost and net realisable value of Inventories property.

Other Non-financial instruments

“Deposit and Investment Guarantee Fund” included in other assets relates to the Bank’s participation in assets of investment and deposit cover scheme.

More specifically:

- In accordance with art. 9, par. 1 of Greek Law 4370/2016, the upper coverage level for the amount of deposits guaranteed by the Hellenic Deposit and Investment Guarantee Fund (HDIGF) is € 100 thousand per client. Due to the increase of the aforementioned amount, the contributions paid by credit institutions to HDIGF increased from 2008 onwards.

- Greek Law 4370/2016 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 art. 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. Each credit institution participating in the supplementary Deposit Cover Fund (SDCF) has an individual share that corresponds to the percentage of participation in the SDCF.

- In accordance with article 13 of Greek Law 4370/2016, HDIGF guarantees claims deriving from covered investment services 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, in accordance with art. 30 Greek Law 4370/2016.

- In accordance with art. 36, par. 1, 2 and 3 of Greek Law 4370/2016, 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 art 2 of Greek Law 4355/2015. The resolution Scheme makes use of these contributions in order to repay its loans obligations for the purpose of credit institution resolution. The contributions are determined in accordance with the provisions in force.

- Furthermore, according to Regulation (EU) 806/2014, the Bank is under the Single Resolution Fund, and participates through predetermined regular annual contributions, set by the SRB (Single Resolution Board).

Line “Other” of € 446 million and € 434 million for the Group and the Bank respectively (31 December 2018: € 404 million and € 401 million respectively) primarily includes balances of temporary and transitional accounts due to timing differences.

<u>Other Financial assets</u>

Line “Claims from the Greek State” of € 367 million and € 365 million for the Group and the Bank respectively (31 December 2018: € 317 million and € 315 million for the Group and the Bank respectively) mainly includes amounts claimed or eligible to be claimed from the Greek State relating to mortgage loans guaranteed by the Greek State.

Line “Other” of € 526 million and € 455 million for the Group and the Bank respectively (31 December 2018: € 515 million and € 475 million for the Group and the Bank respectively) mainly relates to trade receivables and other assets.

The credit cards receivable mainly refers to the unsettled transactions of debit and credit cards cardholders as well as the instalments not yet due by the cardholders, which have been advanced to merchants.

Group	Movement in ECL allowance			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1/1/2019	24	1	219	**244**
Transferred from Stage 1 to Stage 2	(1)	1	-	**0**
Transferred from Stage 2 to Stage 3	0	(1)	1	**0**
Transferred from Stage 3 to Stage 2	-	10	(10)	**0**
Changes to models and inputs used for ECL calculations	(17)	0	1	**(16)**
Reversal of impairment allowances no longer required (P&L)	(1)	(0)	(2)	**(3)**
ECL impairment charge for the year	28	0	25	**53**
Write-off of impairment losses	(18)	-	(6)	**(24)**
Other movements	-	-	(0)	**(0)**
At 31/12/2019	**15**	**11**	**228**	**254**

Group	Movement in ECL allowance			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1/1/2018	31	1	225	**257**
Transfer to Discontinued Operations	(0)	-	(1)	**(1)**
ECL impairment charge/ (release) for the year	(7)	0	9	**2**
Write-off of impairment losses	(0)	-	(18)	**(18)**
Other movements	0	-	3	**3**
At 31/12/2018	**24**	**1**	**218**	**243**

Bank	Movement in ECL allowance			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1/1/2019	24	0	140	**164**
Changes to models and inputs used for ECL calculations	(17)	-	-	**(17)**
Reversal of impairment allowances no longer required (P&L)	(1)	(0)	(1)	**(2)**
ECL impairment charge for the year (P&L)	22	0	22	**44**
Write-off of impairment losses	(18)	-	-	**(18)**
At 31/12/2019	**8**	**2**	**161**	**171**

Bank	Movement in ECL allowance			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1/1/2018	31	-	153	184
ECL impairment charge for new financial assets originated or purchased (P&L)	4	0	-	4
Reversal of impairment allowances no longer required (P&L)	(11)	-	(6)	(18)
Impairment loss for the period (P&L)	-	-	8	8
Write-off of impairment losses	(0)	-	(15)	(15)
At 31/12/2018	**24**	**0**	**140**	**164**

Ageing analysis of selective financial assets, included in other assets, by product line

Group	Days past due - Gross Carrying Amount											
31/12/2019	Current	1-30 days	31-90 days	91-180 days	181-365 days	365+ days	Denounced	Total	Stage 1	Stage 2	Stage 3	Total
Claims from the Greek State	0	275	27	-	-	65	-	**367**	275	27	65	**367**
Credit Cards	120	-	-	-	-	-	-	**120**	120	-	-	**120**
Receivables from third party	179	88	14	7	8	412	0	**707**	251	62	394	**707**
Total	**299**	**363**	**41**	**7**	**8**	**476**	**0**	**1,194**	**646**	**89**	**459**	**1,194**

Group	Days past due - Gross Carrying Amount											
31/12/2018	Current	1-30 days	31-90 days	91-180 days	181-365 days	365+ days	Denounced	Total	Stage 1	Stage 2	Stage 3	Total
Claims from the Greek State	18	303	-	-	-	14	-	**335**	321	-	14	**335**
Credit Cards	-	98	0	0	0	5	-	**103**	98	5	-	**103**
Receivables from third party	115	163	10	8	16	399	-	**711**	294	27	390	**711**
Total	**132**	**563**	**10**	**8**	**16**	**418**	**0**	**1,149**	**712**	**32**	**404**	**1,149**

Bank	Days past due - Gross Carrying Amount											
31/12/2019	Current	1-30 days	31-90 days	91-180 days	181-365 days	365+ days	Denounced	Total	Stage 1	Stage 2	Stage 3	Total
Claims from the Greek State	-	274	27	-	-	65	-	**365**	274	27	65	**365**
Credit Cards	120	-	-	-	-	-	-	**120**	120	-	-	**120**
Receivables from Subsidiaries	134	2	-	-	-	8	-	**144**	136	-	8	**144**
Receivables from third party	140	49	10	1	0	305	-	**504**	186	10	308	**504**
Total	**393**	**324**	**37**	**1**	**0**	**378**	**-**	**1,133**	**716**	**37**	**381**	**1,133**

Bank	Days past due - Gross Carrying Amount											
31/12/2018	Current	1-30 days	31-90 days	91-180 days	181-365 days	365+ days	Denounced	Total	Stage 1	Stage 2	Stage 3	Σύνολο
Claims from the Greek State	-	301	-	-	-	14	-	**315**	301	-	14	**315**
Credit Cards	-	98	-	-	-	-	-	**98**	98	-	-	**98**
Receivables from Subsidiaries	-	179	-	-	-	8	-	**187**	179	-	8	**187**
Receivables from third party	108	147	3	1	1	299	-	**560**	254	3	302	**560**
Total	**108**	**724**	**3**	**1**	**1**	**322**	**-**	**1,160**	**832**	**3**	**324**	**1,160**

29 Due to banks

	Group		Bank	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Amounts due to ECB and central banks	355	3,200	355	3,200
Interbank deposits	365	142	365	292
Securities sold to credit institutions under agreements to repurchase	2,394	2,050	2,394	2,219
Other	182	157	163	150
	3,296	**5,548**	**3,277**	**5,862**
of which:				
Current	2,801	4,406	2,787	4,724
Non-current	495	1,142	491	1,138

The amounts due to ECB and central banks refer to refinancing operations from the Eurosystem through repo transactions and the decrease is attributable to the deleveraging of the loan portfolio, the increase in customer deposits and the issuance of the Tier II Note in June 2019.

30 Due to customers

	Group		Bank	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Corporate				
Current and sight deposits	8,178	8,019	8,371	8,130
Term deposits	4,568	3,665	4,636	3,761
Blocked deposits, guarantee deposits and other accounts	237	245	238	245
Total (A)	**12,983**	**11,928**	**13,245**	**12,136**
Retail				
Current and sight deposits	4,169	3,618	4,152	3,604
Savings accounts	16,660	15,323	16,656	15,320
Term deposits	13,467	13,737	13,447	13,727
Blocked deposits, guarantee deposits and other accounts	30	32	30	32
Total (B)	**34,325**	**32,711**	**34,285**	**32,683**
Cheques payable and remittances (C)	**42**	**100**	**42**	**100**
Total Due to customers (A)+(B)+(C)	**47,351**	**44,739**	**47,572**	**44,919**
of which:				
Current	47,289	44,666	47,511	44,846
Non-current	62	73	62	73

As at 31 December 2019, the amount due to customers (excluding cheques payable and remittances) bearing floating interest rates is € 29.1 billion and € 29.3 billion for the Group and the Bank, respectively (31 December 2018: € 27.1 billion and € 27.3 billion for the Group and the Bank respectively), while as at 31 December 2019 and 2018 due to customers of € 18.2 billion and € 17.5 billion, respectively, were carrying fixed rate for both the Group and the Bank.

31 Debt securities in issue

	Weighted Interest Rate (%)	Group		Bank	
		31/12/2019	31/12/2018	31/12/2019	31/12/2018
Residential mortgage backed floating rate notes	3m Euribor + 63bp	10	58	10	58
Covered Bonds - floating rate - Series 4	3m Euribor + 250bp	471	471	471	471
Total debt securities in issue		**481**	**528**	**481**	**528**

The financial terms of the debt securities issued from loan securitizations and covered bonds that have been sold to investors as at 31 December 2019 and 2018 are the following:

Issuer	Description	Underlying Loan Type	Issue Date	Maturity Date	Currency	Weighted Interest Rate on Total Outstanding Amount/ Coupon Frequency	Nominal value	Outstanding nominal amount	Redemptions	Nominal amount own held by the Bank	Nominal amount held by third parties	Carrying value	Weighted Interest Rate on 3rd Parties
31/12/2019													
Securitized Loans													
Estia 1 Mortgage Finance PLC	Residential mortgage backed floating rate notes (Class A,B,C)	Mortgage loans	7-Jun-05	27-Apr-40	EUR	-	750	0	750	0	0	0	-
Estia 2 Mortgage Finance PLC	Residential mortgage backed floating rate notes (Class A,B,C)	Mortgage loans	24-Jul-07	27-Aug-54	EUR	-	1,250	0	1,250	0	0	0	-
Kion Mortgage Finance PLC	Residential mortgage backed floating rate notes (Class A,B,C)	Mortgage loans	7-Dec-06	15-Jul-51	EUR	3m Euribor + 48bp/ Quarterly	600	25	575	15	10	10	3m Euribor + 63bp
Covered Bonds													
Piraeus Bank SA	Floating rate covered bond series 4	Mortgage loans	31-Oct-17	31-Oct-22	EUR	3m Euribor + 250bp/ Quarterly	500	500	0	30	470	471	3m Euribor + 250bp

Issuer	Description	Underlying Loan Type	Issue Date	Maturity Date	Currency	Weighted Interest Rate on Total Outstanding Amount/ Coupon Frequency	Nominal value	Outstanding nominal amount	Redemptions	Nominal amount own held by the Bank	Nominal amount held by third parties	Carrying value	Weighted Interest Rate on 3rd Parties
31/12/2018													
Securitized Loans													
Estia 1 Mortgage Finance PLC	Residential mortgage backed floating rate notes (Class A,B,C)	Mortgage loans	7-Jun-05	27-Apr-40	EUR	3m Euribor + 48bp/ Quarterly	750	91	659	81	10	10	3m Euribor + 68bp
Estia 2 Mortgage Finance PLC	Residential mortgage backed floating rate notes (Class A,B,C)	Mortgage loans	24-Jul-07	27-Aug-54	EUR	3m Euribor + 42bp/ Quarterly	1,250	563	687	529	34	34	3m Euribor + 77bp
Kion Mortgage Finance PLC	Residential mortgage backed floating rate notes (Class A,B,C)	Mortgage loans	7-Dec-06	15-Jul-51	EUR	3m Euribor + 41bp/ Quarterly	600	39	561	26	13	13	3m Euribor + 56bp
Covered Bonds													
Piraeus Bank SA	Floating rate covered bond series 4	Mortgage loans	31-Oct-17	31-Oct-22	EUR	3m Euribor + 250bp/ Quarterly	500	500	0	30	470	471	3m Euribor + 250bp

The major transactions regarding debt securities in issue from 1 January 2019 to 31 December 2019 are as follows:

On 26 September 2019, Estia 1 Mortgage Finance PLC announced the intention to redeem all notes of each class (Classes A,B,C) at their respective principal amounts outstanding together with accrued interest. The early redemption was concluded on 28 October 2019.

On 3 October 2019, Estia 2 Mortgage Finance PLC announced the intention to redeem all Notes of each class (Classes A,B,C) at their respective principal amounts outstanding together with accrued interest. The early redemption was concluded on 27 November 2019.

The major transactions regarding debt securities in issue after 31 December 2019 are as follows:

On 11 March 2020, Kion Mortgage Finance PLC announced the intention to redeem all Notes of each class (Classes A,B,C) at their respective principal amounts outstanding together with accrued interest on the interest payment date falling on 15 April 2020.

The financial terms of the debt securities issued from loan securitizations and covered bonds that are held by the Group as of 31 December 2019 and 2018 are the following:

Issuer	Description	Underlying Loan Type	Issue Date	Maturity Date	Currency	Weighted Interest Rate/ Coupon Frequency	Nominal value	Outstanding nominal amount	Redemptions	Cancellations
31/12/2019										
Securitized Loans										
Axia 1 Finance PLC	Asset backed floating rate notes (Class A,B)	Corporate Loans	21-Nov-08	25-Apr-35	EUR	3m Euribor + 52bp / Quarterly	1,750	250	0	1,500
Axia 3 Finance PLC	Asset backed floating rate notes (Class A,B)	Corporate Loans	17-Aug-09	26-Aug-24	EUR	-	2,352	0	0	2,352
Praxis 1 Finance PLC	Asset backed fixed (Class A) and floating (Class B)rate notes	Consumer, personal and other loans	30-Apr-09	28-Jun-35	EUR	3m Euribor / Quarterly	725	190	535	0
Praxis 2 Finance PLC	Asset backed fixed (Class A) and floating (Class B)rate notes	Consumer, personal and other loans	14-Aug-09	27-Dec-23	EUR	1.69% / Monthly	558	370	0	188
Covered Bonds										
Piraeus Bank SA	Floating rate covered bond Series 3	Mortgage loans	16-Feb-17	16-Nov-21	EUR	1m Euribor + 150bp / Monthly	1,000	500	0	500
Piraeus Bank SA	Floating rate covered bond Series 5	Mortgage loans	20-Nov-17	20-Nov-20	EUR	3m Euribor + 150bp / Quarterly	1,000	1,000	0	0
Piraeus Bank SA	Floating rate covered bond Series 6	Mortgage loans	31-Jan-18	29-Jan-21	EUR	3m Euribor + 150bp / Quarterly	1,000	1,000	0	0
Piraeus Bank SA	Floating rate covered bond Series 7	Mortgage loans	11-May-18	11-Feb-22	EUR	3m Euribor + 150bp / Quarterly	1,000	1,000	0	0

Issuer	Description	Underlying Loan Type	Issue Date	Maturity Date	Currency	Weighted Interest Rate/ Coupon Frequency	Nominal value	Outstanding nominal amount	Redemptions	Cancellations
31/12/2018										
Securitized Loans										
Axia 1 Finance PLC	Asset backed floating rate notes (Class A,B)	Corporate Loans	21-Nov-08	25-Apr-35	EUR	3m Euribor + 52bp / Quarterly	1,750	250	0	1,500
Axia 3 Finance PLC	Asset backed floating rate notes (Class A,B)	Corporate Loans	17-Aug-09	26-Aug-24	EUR	3m Euribor + 79bp / Quarterly	2,352	235	0	2,117
Praxis 1 Finance PLC	Asset backed fixed (Class A) and floating (Class B)rate notes	Consumer, personal and other loans	30-Apr-09	28-Jun-35	EUR	3m Euribor / Quarterly	725	217	508	0
Praxis 2 Finance PLC	Asset backed fixed (Class A) and floating (Class B)rate notes	Consumer, personal and other loans	14-Aug-09	27-Dec-23	EUR	1.66% / Monthly	558	370	0	188
Covered Bonds										
Piraeus Bank SA	Floating rate covered bond Series 3	Mortgage loans	16-Feb-17	18-Nov-19	EUR	1m Euribor + 150bp / Monthly	1,000	1,000	0	0
Piraeus Bank SA	Floating rate covered bond Series 5	Mortgage loans	20-Nov-17	20-May-19	EUR	3m Euribor + 150bp / Quarterly	1,000	1,000	0	0
Piraeus Bank SA	Floating rate covered bond Series 6	Mortgage loans	31-Jan-18	31-Jul-19	EUR	3m Euribor + 150bp / Quarterly	1,000	1,000	0	0
Piraeus Bank SA	Floating rate covered bond Series 7	Mortgage loans	11-May-18	11-Feb-20	EUR	3m Euribor + 150bp / Quarterly	1,000	1,000	0	0

On 13 May 2019, the Group and the Bank proceeded with amendments to its fully retained Covered Bond Series 5 (due May 2019) and Series 6 (due July 2019) with regard to the extension of their maturity dates by 18 months to November 2020 and January 2021 respectively. On 25 September 2019, the Group and the Bank proceeded with the partial cancellation of the nominal value of its fully retained Covered Bond Series 3 (due November 2019) by € 500 million.

On 7 October 2019, the Group and the Bank proceeded with amendments to its fully retained Covered Bond Series 3 (due November 2019) and Covered Bond Series 7 (due February 2020), with regard to the extension of their maturity dates by 24 months, to November 2021 and February 2022, respectively.

On 17 December 2019, Axia 3 Finance PLC announced the intention to fully redeem the outstanding Notes of each class (Classes A,B) at their respective principal amounts outstanding. The early redemption was concluded on 27 December 2019.

Securitized loans from the securitization of mortgage, corporate and consumer loans of the Group and the Bank that are included in “Loans and advances to customers” as at 31 December 2019 and 2018 are the following:

	Group		Bank	
Securitized loans	**31/12/2019**	**31/12/2018**	**31/12/2019**	**31/12/2018**
Mortgage loans	25	692	25	692
Consumer, personal and other loans	597	622	597	622
Corporate Loans and Public sector	253	522	253	522
Total Securitized Loans	**875**	**1,835**	**875**	**1,835**

The loans that have been granted as collateral in the covered bonds program that are included in “Loans and advances to customers” as at 31 December 2019 and 2018 are the following:

	Group		Bank	
Loans- collaterals in the covered bonds programme	**31/12/2019**	**31/12/2018**	**31/12/2019**	**31/12/2018**
Mortgage loans	5,222	5,907	5,222	5,907

Senior Unsecured Notes are issued under the Euro Medium Term Note Programme (“EMTN Programme”), either directly by the Bank or through the Group’s subsidiary Piraeus Group Finance PLC, bearing the guarantee of the Bank.

The Bank did not issue any Senior Unsecured bonds under its EMTN Programme during the year 2019.

32 Other borrowed funds

On 26 June 2019, Piraeus Group Finance PLC issued the Tier II Note of nominal value of € 400 million, maturing in June 2029. The Tier II Note was issued with the guarantee of the Bank under the EMTN Programme, bears an annual fixed interest rate of 9.75% for the first 5 years and thereafter has a one time reset at the prevailing 5 year mid swap rate plus 9.952%. The Tier II Note may be redeemed at par in whole by the issuer on 26 June 2024, subject to prior regulatory approval. On 31 October 2019, Piraeus Group Finance PLC was novated by Piraeus Bank, as issuer of the Tier II Note.

During the year 2019, the Bank and the Group did not repurchase any Tier II Notes.

On 19 February 2020, the Bank issued a fixed rate subordinated Tier II Note of nominal value € 500 million, maturing in February 2030, bearing an annual fixed interest rate of 5.5% for the first 5 years and thereafter has a one time reset at the prevailing 5 year mid swap rate plus 5.774%. The Note may be redeemed at par in whole by the Bank on 19 February 2025, subject to prior regulatory approval.

33 Other liabilities

	Group		Bank	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Deferred income	29	35	27	32
Accrued expenses	123	104	114	98
Lease liabilities	139	40	146	1
Transactions with Interbank Systems (DIAS)	264	326	263	325
Non-income taxes payable and social security contributions	50	56	45	49
Creditors and suppliers	115	97	110	89
Collections for third parties	129	81	129	81
Other	222	146	105	62
	1,071	**885**	**939**	**736**
of which:				
Current	833	739	663	629
Non-current	238	146	276	107

The following table summarises the lease liabilities:

	Group		Bank	
Lease liabilities	31/12/2019	31/12/2018	31/12/2019	31/12/2018
No later than one year	31	8	27	1
One to five years	88	31	82	-
Later than five years	49	24	53	-
Gross lease liabilities	**168**	**63**	**162**	**1**
Discounting	(29)	(22)	(15)	-
Lease liabilities	**139**	**40**	**146**	**1**
of which:				
No later than one year	27	8	23	1
One to five years	68	21	73	-
Later than five years	43	12	50	-

34 Provisions

The movement of other provisions for the Group and the Bank is summarized in the table below:

	Group				Bank			
	Litigations	Other	ECL allowance on off balance sheet commitments	Total	Litigations	Other	ECL allowance on off balance sheet commitments	Total
At 1 January 2018	32	21	154	206	26	80	153	259
Transferred to discontinued operations	(2)	(1)	(0)	(3)	-	-	-	-
Provisions charged/(released)	5	2	(21)	(13)	3	2	(22)	(16)
Provisions utilized	(0)	(14)	-	(14)	(0)	(16)	-	(16)
Other movements	(0)	(0)	(1)	(2)	(1)	-	0	(1)
Transfer to ECL allowance of loans and advances to customers	-	(6)	-	(6)	-	(67)	-	(67)
At 31 December 2018	**35**	**2**	**131**	**168**	**28**	**0**	**132**	**160**
Provisions charged/(released)	1	29	(12)	18	0	27	(12)	15
Provisions utilized	(1)	(9)	-	(10)	-	(7)	-	(7)
Other movements	(3)	(1)	0	(3)	(3)	-	(0)	(3)
At 31 December 2019	**32**	**21**	**119**	**173**	**26**	**19**	**120**	**165**

The Group establishes provisions for all litigations, for which it believes it is probable that a loss will incur in the future 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. In cases where 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 uncertainly of the likehood of the final result or the outcome of pending appeals. Management, following consultation with its legal advisors has concluded that the amount of recognized provisions for outstanding litigations is sufficient.

The ECL allowance on credit commitments is estimated based on the same methodology applied for loans and advances to customers at amortised cost. Please refer to Note 4.3.1.

35 Current tax assets

Net current income tax assets as at 31 December 2019 for the Group and the Bank amounted to € 206 million and € 202 million respectively (31 December 2018: € 221 million and € 218 million for the Group and the Bank respectively) comprising of the following:

a) Withholding taxes on interest of bonds and treasury bills of € 89 million relating to financial years 2009, 2011, 2012 and 2013 (tax years 2008, 2010, 2011 and 2012). Under the provisions of Greek Law 4605 (article 93, par.1 & 2), as published at Gazette A' 52 on 1 April 2019, an amendment was introduced into the Greek Corporate Income Tax legislation, clarifying the status of the aforementioned withholding tax receivables of the Bank, as follows:

- Taxes of € 26 million, withheld in accordance with the provisions of para. 8 of article 12 of Greek Law 2238/1994, for the financial year 2013 (tax year 2012) are offset as a priority when income tax is incurred and to the extent that such income tax is sufficient for the purposes of the above set-off, while an amount of € 14 million, withheld on the same basis, for the financial year 2010 (tax year 2009) is claimed from the Greek State; and

- Withholding taxes of € 49 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 the Bank, starting from 1 January 2020.

b) Withholding tax receivables on interest income from treasury bills of € 60 million, which were withheld after 1 January 2013, are offset against income tax available in the next five financial years from the financial year in which the income tax was withheld. Upon completion of the five year period, any remaining withholding tax is being offset against current tax liabilities.

c) Withholding taxes on corporate bonds of € 42 million, withheld in years 2017, 2018 and 2019, which are refundable by the Greek State.

d) Various other tax claims of the Group and the Bank of € 15 million and € 11 million, respectively

36 Deferred Taxes

Deferred taxes for the Group and Bank are calculated on all temporary differences under the liability method. The nominal tax rates of Group subsidiaries are different compared to the nominal tax rate of the Bank (Note 13).

Deferred tax assets and liabilities are attributable to the following items:

	Group		Bank	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Deferred tax liabilities				
Pensions and other post retirement benefits	(0)	(0)	-	-
Other provisions	(1)	(0)	-	-
Investment property fair value adjustment	31	30	-	-
Depreciation of property and equipment	2	2	-	-
Amortisation of Intangible assets	(0)	(0)	-	-
Recognition of tax losses carried forward	-	(0)	-	-
Investments in subsidiaries and associates	(0)	-	-	-
Other temporary differences	0	1	-	-
Total	**32**	**32**	**0**	**0**

	Group		Bank	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Deferred tax assets				
Pensions and other post retirement benefits	35	54	35	53
Loans and advances to customers	5,321	4,771	5,303	4,748
Other provisions	0	4	-	-
Securities valuation adjustment	(95)	(33)	(95)	(32)
Derivative financial instruments valuation adjustment	3	12	3	12
Investment property fair value adjustment	(1)	(4)	(6)	(6)
Depreciation of property and equipment	(41)	1	(52)	(11)
Amortisation of Intangible assets	(17)	(5)	(17)	(5)
Recognition of tax losses carried forward	1	446	-	444
Impairment of Greek government bonds (PSI)	1,215	1,271	1,215	1,271
Investments in subsidiaries and associates	2	120	1	119
Other temporary differences	54	11	52	9
Total	**6,478**	**6,647**	**6,439**	**6,600**
Net deferred tax asset	**6,446**	**6,615**	**6,439**	**6,600**

Management believes that the recoverability of the recognised DTA as at 31 December 2019 amounting to € 6.478 million and € 6.439 million for the Group and the Bank respectively (31 December 2018: € 6.647 million and € 6.600 million for the Group and the Bank respectively), is probable based upon the tax plan of the Group and the Bank’s taxable income for the future (Note 3.1).

As at 31 December 2019, the Group and the Bank set off part of the cumulative tax losses that were incurred in the years 2015 until 2019 for the Group and 2015 for the Bank, respectively (31 December 2018: € 1,688 million and € 1,553 million for the Group and the Bank respectively). Management of the Bank has estimated that the carry forward tax losses of € 5 million for the Group can be offset by the tax profits based on the tax plan and thus the Group has recognised a deferred taxation amounting to € 1 million (31 December 2018: € 446 million). The carry forward tax losses that can be offset by future taxable profits amount to € 5 million for the Group (€ 0 million for the Bank) and they are without time limit.

Deferred tax assets due to carry forward tax losses are recognised only when it is probable that taxable profits will be available, against which these carry forward tax losses can be utilised. On this base the Group and the Bank have unused tax losses as at 31 December 2019 of € 210 million and € 71 million, respectively (31 December 2018: € 131 million and € 0 million for the Group and the Bank, respectively), for which no deferred tax asset has been recognized in the statement of financial position.

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 recognised amounts i.e. offset current tax assets against current tax liabilities as well as the deferred tax assets and deferred tax liabilities when such taxes relate to the same fiscal authority.

	Group		Bank	
	1/1 - 31/12/2019	1/1 - 31/12/2018	1/1 - 31/12/2019	1/1 - 31/12/2018
Net deferred tax asset at 1/1	**6,615**	**6,508**	**6,600**	**6,484**
Opening balance of net deferred tax asset from discontinued operations	-	(0)	-	-
Deferred tax asset due to IFRS 9 FTA impact as at 1/1/2018	-	1	-	-
Net deferred tax liability due to changes in the portfolio of subsidiaries	-	(0)	-	-
Deferred tax benefit	(109)	103	(100)	112
- From continuing operations	(109)	103	-	-
- From discontinued operations	-	-	-	-
Financial assets at FVTOCI (Note 15)	(62)	5	(63)	4
Deferred tax on actuarial gains/ (losses) (Note 15)	2	(0)	2	(0)
- From continuing operations	2	(0)	-	-
- From discontinued operations	-	-	-	-
Net deferred tax liability due to changes from disposed subsidiaries	(0)	(0)	-	-
Currency translation effect and other movements	0	(1)	-	-
- From continuing operations	0	(1)	-	-
- From discontinued operations	-	-	-	-
Net deferred tax asset at 31/12	**6,446**	**6,615**	**6,439**	**6,600**

Deferred tax amounts directly recognised in equity for both the Group and the Bank during 2019 are as follows: a) deferred tax-expense of € (62) million for the Group and € (63) million for the Bank respectively, relating to valuation of securities through other comprehensive income, recorded under the financial assets at FVTOCI reserve (Note 15) and b) deferred tax-income of € 2 million for both the Group and the Bank relating to actuarial gain/losses, reported under the reserve of defined benefit obligations (Note 15).

The deferred tax recognized in the Income Statement is attributed to temporary differences, the effect of which is analysed in the table below:

Deferred tax (Income Statement)	Group		Bank	
	1/1 - 31/12/2019	1/1 - 31/12/2018	1/1 - 31/12/2019	1/1 - 31/12/2018
Pensions and other post retirement benefits	(21)	0	(20)	(0)
Loans and advances to customers	551	420	555	424
Other provisions	(3)	(5)	-	-
Securities valuation adjustment	(0)	1	-	-
Derivative financial instruments valuation adjustment	(9)	28	(9)	28
Investment property fair value adjustment	1	5	-	-
Depreciation of property and equipment	(43)	4	(40)	5
Amortisation of Intangible assets	(12)	(26)	(12)	(26)
Recognition of tax losses carried forward	(445)	(125)	(444)	(125)
Impairment of Greek government bonds (PSI)	(55)	(55)	(55)	(55)
Investments in subsidiaries and associates	(117)	(141)	(118)	(142)
Other temporary differences	43	(3)	43	1
Total	**(109)**	**103**	**(100)**	**111**

Net deferred tax asset analysis	Group		Bank	
	1/1 - 31/12/2019	1/1 - 31/12/2018	1/1 - 31/12/2019	1/1 - 31/12/2018
Current	216	109	207	100
Non-current	6,262	6,537	6,232	6,500
Total	**6,478**	**6,647**	**6,439**	**6,600**

Net deferred tax liability analysis	Group		Bank	
	1/1 - 31/12/2019	1/1 - 31/12/2018	1/1 - 31/12/2019	1/1 - 31/12/2018
Current	0	0	-	-
Non-current	32	32	-	-
Total	**32**	**32**	**0**	**0**

37 Retirement benefit obligations

Defined Benefit Plans

Retirement indemnities

Most 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 lump sum payments usually based 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, wages earners and lawyers). In some cases, Group companies regulations provide for additional benefits to employees above the statutory minimum.

Below is a summary of the defined benefit plans of the Group:

1. Lump sum retirement benefit according to Greek Law 2112/1920 and Greek Law 4093/2012

Lump sum retirement benefit is provided to the majority of employees of the Bank and Greek subsidiaries as per the terms set out below:

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 employee's statutory retirement indemnity of Greek Law 2112/1920, are applicable.

On 12 November 2012, the Greek Law 4093/2012 (GG A' 222) decreased the statutory indemnity scale set by Greek Law 2112/1920 in case of employee dismissal or normal retirement. Employees that at 12 November 2012 have more than 16 full years of service to the same employer, are entitled to statutory indemnity for all the years they have until that date. Employees who at 12 November 2012 have less than 17 full years of service to the same employer, the maximum statutory is 12 actual salaries. In both conditions and in case of normal retirement, employees receive 40% of the statutory indemnity scale set by Greek Law 2112/1920 and Greek Law 4093/2012. In case of disability before the normal retirement age or in case of early retirement no indemnity is provided.

For lawyers based on Law 4194/2013 the benefit paid in case of retirement is 100%. In case of voluntary departure for any reason, the benefit paid is: after 28 years of service 100%, after 20 years of service 66.67% and after 15 years of service 50%.

2. Lump Sum Benefit according to Piraeus Bank Collective Agreement

A lump sum benefit is granted to certain employees of Piraeus Bank. The lump sum benefit is payable when the member is eligible for full pension by the social security fund. The lump sum benefit based on pre-defined number of salaries at 100% of the average salary of the last 3 months prior to retirement. No lump sum benefit is paid in case of death, disability or termination before the normal retirement age.

3. Lump Sum Benefit according employee contracts of Former Nat West Bank Employees

A lump sum benefit is granted to certain employees of former Nat West Bank, hired prior to 31 December 1991. The lump sum benefit is payable when the employee is eligible for full pension by the social security fund or in case of death. The lump sum benefit is equal to 100% of the retirement benefit according to Greek Law 2112/1920 and Greek Law 4093/2012.

4. Lump Sum Benefit according to the Agreement of Former Macedonia Thrace Bank Employees

A lump sum benefit is granted to former employees of Macedonia Thrace Bank based on a collective agreement. The lump sum benefit is payable when the member is eligible for full pension from the social security fund.

The lump sum benefit is equal to 100% of the retirement benefit according to the Macedonia Thrace Bank's collective agreement.

5. Lump Sum Benefit to former Macedonia Thrace Children's Account

The lump sum benefit is paid to the children of former Macedonia Thrace Bank employees according to a preset calculation of the liability when the child reaches the age of 25 or earlier under specific prerequisites. In case of death of the child the amount is paid to the parent, in case of departure of the parent from the Bank the amount contributed by the employee and not by the Bank is refunded without interest. If the departure is due to retirement, the plan can be continued and funded by the ex-employee's pension salary, in which case the Bank also continues to pay contributions.

6. Lump Sum Benefit According to the Insurance Policy of some Key Management Members

Piraeus Bank has entered into an insurance contract regarding the lump sum benefit to be paid to certain Executive BOD members, Executive General Managers, General Managers and Deputy General Managers based on a preset calculation of the liability when the employment is terminated in all cases except for fraud.

Piraeus Bank and Piraeus Bank Group

The present value of the defined benefit obligation is determined by an independent actuary, on an actuarial basis by applying the "projected unit credit method", according to which, the charge for pension plans to the Income Statement is allocated over the service lives of the related employees. The defined benefit obligation is determined by the present value of cash outflows using interest rates of high quality corporate bonds, which have terms to maturity approximating the terms of the related liability.

The employees of the Bank are entitled to compensation upon termination of service, based on their service, their salary and their classification group.

The benefits paid for the years 2019 and 2018, according to the voluntary redundancy schemes are included in the disclosures for the non-funded plans.

In the tables below are presented amounts recognized in both the Statement of Financial Position and the Income Statement for the Group and the Bank, broken down by funded and not funded pension schemes.

Amounts recognised in the Statement of Financial Position	Group		Bank	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Pension schemes – funded	5	64	5	64
Other post retirement benefits - not funded	125	129	120	124
Total	**130**	**192**	**125**	**187**

Amounts recognised in the Equity	Group		Bank	
	1/1 - 31/12/2019	1/1 - 31/12/2018	1/1 - 31/12/2019	1/1 - 31/12/2018
Funded				
Liability gain /(loss) due to changes in assumptions	(0)	0	(0)	0
Liability experience gain/ (loss) arising during the year	0	0	0	0
Experience gain/ (loss) on plan assets arising during the year	0	0	0	0
Other assumptions	0	-	0	-
Total funded	**0**	**0**	**0**	**0**
Non-funded				
Liability gain /(loss) due to changes in assumptions	(7)	2	(7)	2
Liability experience gain/ (loss) arising during the year	(1)	(2)	(1)	(2)
Total non-funded	**(8)**	**(0)**	**(8)**	**(0)**
Total	**(8)**	**0**	**(8)**	**0**

Amounts recognised in the Income Statement	Group		Bank	
	1/1 - 31/12/2019	1/1 - 31/12/2018	1/1 - 31/12/2019	1/1 - 31/12/2018
Pension schemes – funded				
Current service cost	0	6	0	6
Net interest cost	0	1	0	1
Expenses	0	0	0	0
Past service cost recognized	-	(3)	-	(3)
Settlement/ Curtailment/ Termination loss/ (gain)	0	(18)	0	(18)
Total pension schemes – funded	**0**	**(14)**	**0**	**(13)**
Other post retirement benefits - not funded				
Current service cost	4	7	4	4
Interest cost	2	2	2	2
Past servise cost recognized	2	0	2	0
Settlement/ Curtailment/ Termination loss/ (gain)	17	152	17	147
Total other post retirement benefits - not funded	**26**	**161**	**25**	**153**
Total	**26**	**147**	**26**	**140**

A) Pension schemes - funded

The net liability in the Statement of Financial Position is determined as follows:

	Group		Bank	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Present value of funded obligations	8	80	8	80
Fair value of plan assets	(2)	(16)	(2)	(16)
Total	**5**	**64**	**5**	**64**

In funded plans, the Bank follows the recommendations of the insurance company concerning the amount of contributions. The expected contributions to funded post-employment defined benefit plans for the year 2020, amount to € 0.3 million. It shall also be noted, that there are no commitments arising from the law concerning the level of funding for post-employment defined benefit plans provided by the Bank.

The movement of the gross defined benefit obligation is analysed as follows:

	Group		Bank	
	1/1 - 31/12/2019	1/1 - 31/12/2018	1/1 - 31/12/2019	1/1 - 31/12/2018
Opening balance	80	116	80	116
Current service cost	0	6	0	6
Interest cost	0	2	0	2
Settlement/ Curtailment/ Termination loss/ (gain)	0	(18)	0	(18)
Past service costs	-	(3)	-	(3)
Contributions by plan participants	0	1	0	1
Benefits paid from the fund	(72)	(23)	(72)	(23)
Benefits paid by the the employer	(0)	0	(0)	-
Actuarial (gains)/ losses	0	(0)	0	(0)
Other	(0)	-	(0)	-
Closing balance	**8**	**80**	**8**	**80**

The movement of the fair value of plan assets for the Group and the Bank is analysed as follows:

	Group		Bank	
	1/1 - 31/12/2019	1/1 - 31/12/2018	1/1 - 31/12/2019	1/1 - 31/12/2018
Opening balance	16	24	16	24
Expected return on plan assets	0	0	0	0
Employer contributions	58	15	58	15
Employee contributions	0	1	0	1
Benefits paid from the fund	(72)	(23)	(72)	(23)
Expenses	(0)	(0)	(0)	(0)
Actuarial gains / (losses)	0	0	0	0
Closing balance	**2**	**16**	**2**	**16**
Return on plan assets	**0**	**0**	**0**	**0**

The plan assets, which are not quoted, are invested as follows:

	Group		Bank	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Mutual funds	83.2%	23.5%	83.2%	23.5%
Bonds	5.1%	60.3%	5.1%	60.3%
Deposits	11.7%	16.1%	11.7%	16.1%
Shares	-	0.1%	-	0.1%

Below is presented the movement of the net liability of funded pension schemes for the Group and the Bank, broken down into expenses, contributions, benefits and amounts recognized in equity:

	Group		Bank	
	1/1 - 31/12/2019	1/1 - 31/12/2018	1/1 - 31/12/2019	1/1 - 31/12/2018
Opening balance	64	93	64	92
Total expense recognised in the income statement	0	(14)	0	(13)
Employer contributions	(58)	(15)	(58)	(15)
Benefits paid by the employer	(0)	-	(0)	-
Amount recognised in equity	(0)	(0)	(0)	(0)
Closing balance	**5**	**64**	**5**	**64**

B) Other post retirement benefits – not funded

The amounts recognised in the Statement of Financial Position are analysed as follows:

	Group		Bank	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Present value of unfunded obligations	125	129	120	124
Liability in the balance sheet	**125**	**129**	**120**	**124**

The movement in the defined benefit obligation is analysed as follows:

	Group		Bank	
	1/1 - 31/12/2019	1/1 - 31/12/2018	1/1 - 31/12/2019	1/1 - 31/12/2018
Opening balance	129	102	124	95
Current service cost	4	7	4	4
Interest cost	2	2	2	2
Settlement/ Curtailment/ Termination loss/ (gain)	17	152	17	147
Past service cost	2	0	2	0
Benefits paid directly by the employer	(38)	(129)	(37)	(125)
Actuarial gains / (losses)	8	0	8	0
Transfer of subsidiaries to discontinued operations	-	(1)	-	-
Derecognition of subsidiaries	-	(3)	-	-
Closing balance	**125**	**129**	**120**	**124**

The movement in the liability recognised in the Statement Financial Position for the Group and the Bank, broken down into expenses, contributions, benefits and amounts recognized in equity is analysed as follows:

	Group		Bank	
	1/1 - 31/12/2019	1/1 - 31/12/2018	1/1 - 31/12/2019	1/1 - 31/12/2018
Opening balance	129	102	124	95
Total expense recognised in the income statement	26	161	25	153
Benefits paid by the employer	(38)	(129)	(37)	(125)
Amount recognised in equity	8	0	8	0
Transfer of subsidiaries to discontinued operations and derecognition of subsidiaries	-	(4)	-	-
Closing balance	**125**	**129**	**120**	**124**

The expected weighted average duration of the defined benefit obligation is 12.8 years for the Group and the Bank.

The actuarial assumptions used are as follows:

	Group		Bank	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Discount rate	1.0%	1.6%	1.0%	1.8%
Price inflation	1.4%	1.8%	1.4%	1.8%
Expected return on plan assets	1.0%	1.6%	1.0%	1.8%
Future increase in salaries	1.4%	1.8%	1.4%	1.8%
Mortality table applied	EVK00, based on Swiss mortality table		EVK00, based on Swiss mortality table	

According to the revised IAS 19, the rate used to calculate the expected return on plan assets is the discount rate that is used to discount the post-employment benefit obligation.

Sensitivity analysis in defined benefit obligation

The sensitivity analysis for the significant assumptions in the post-employment defined benefit obligation is as follows:

Main assumptions	Effect in realised defined benefit obligation (Group)			Effect in realised defined benefit obligation (Bank)		
	Change in the assumptions	Increase	Decrease	Change in the assumptions	Increase	Decrease
Discount rate	+/-0.50%	-6.1%	6.7%	+/-0.50%	-6.1%	6.7%
Future increase in salaries	+/-0.50%	6.4%	-5.9%	+/-0.50%	6.4%	-5.9%
Voluntary withdrawal rate	increase/ decrease by 50%	-3.1%	3.4%	increase/ decrease by 50%	-3.1%	3.5%

The aforementioned sensitivity analysis is based on changing each assumption, while keeping the other assumptions unchanged. However, in an economic environment assumptions do not change independently and are usually affected at the same time. The method adopted for the sensitivity analysis is the one used for the determination of the defined benefit obligation in the Statement of Financial Position. The final cost of defined benefit plans depends on the actual future experience relating to the actual pay increases as well as other factors that affect the cost, like the mobility of the employees and the recruitment.

Defined Contribution Plans

Total contributions to social security funds, state run plans and defined contribution plans for 2019 for the Group and the Bank amounted to € 92 million and € 88 million, respectively (2018: € 97 million for the Group and € 93 million for the Bank).

Below is a summary of the defined contribution plans of the Group:

1) Piraeus Bank and Domestic Subsidiaries State Pension Plan

The Bank's main post retirement pension plan is a defined contribution plan that is run by the State sponsored social security fund IKA-ETAM. Contribution by the employer and employee to the State post retirement pension plan is defined in the law and amounts to 20.26% and 13.20% respectively, of the employees' salaries with a cap.

2) Piraeus Bank State Health Plans

Defined contribution to the State Health Plan amounts to 6% of the employees' salary. Employees' contribution amount to 3% of their salary. 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. Contribution of retired employees' amount to a percentage of their pension, while additional contributions are paid for other insured members of their families. The State Health Plan offers health benefits to employees before and after their retirement, and to insured family members.

3) Piraeus Bank Private Pension Plan

In order to harmonize pension related benefits, the Bank proceeded in 2019 to design a new, common, group pension scheme that will be addressed to all Bank employees on the same terms for all.

4) Group Child Savings Private Defined Contribution Plans

The Bank offers three defined-contribution plans to its employees in respect of its children, according to the Bank of origin. The three plans have the same terms and requirements.

The total amount raised during period of insurance (i.e. employee's and Bank's contributions, as well as interest) is paid in the form of a lump sum either to the child in case certain prerequisites are fulfilled, such as child's marriage, employment, 25th year of age and death of employee-parent or to the employee-parent in cases such as departure from the Bank due to retirement, participation in voluntary exit scheme, permanent or total disability and death of the insured child. In case of employee's resignation, the employee receives his/her contributions including interest.

5) Piraeus Bank Private Insurance Health Plan

In addition, the Bank offers to its employees and their families (spouse and children with specific age limits respectively) a Life & Health Care Insurance Plan. It includes employee's life insurance, reimbursement in case of employee's permanent and total disability due to accident or serious illness, employee's and/or dependent's hospital care and outpatient care, surgery / hospitalisation allowance, maternity allowance and check-up. The Bank pays monthly premiums to the insurance company which are fixed for the benefit of health of employee and relatives and a percentage of salary for the benefits of life and disability insurance. In case of insurance in the plan of a spouse or child that is not insured for social health insurance under the employee, the insurance covers the benefits of hospital and outpatient care and the employee pays a monthly fixed amount per insured person which is deducted from the monthly salary.

6) Defined Contribution Pension Plans of Greek Subsidiaries

Piraeus Leasing S.A., Piraeus Financial Leases S.A., ETVA Industrial Parks S.A. and Piraeus Insurance Agency S.A. offer employees group pension plans. According to the provisions of the contracts, the employee receives an amount equal to the total of the amount raised during his/her participation in the program, depending on the number of years of participation. They also require monthly contributions by both the employer and the employees, as a percentage of the monthly gross salary. The pension plans of Piraeus Leasing S.A. and Piraeus Financial Leases S.A. were terminated on 31 December 2019 and the insured employees will be insured in a new pension plan, which is in the process of being implemented.

7) Defined Contribution Pension Plans of Foreign Branches and Subsidiaries

For London Branch of Piraeus Bank each employee signs an individual contract according to which the employer contributes a percentage of salary to their personal defined-contribution pension plan. The contribution percentage varies per individual contract and contributions are paid on a monthly basis. The employee has the option in utilizing the accumulated pension fund either by receiving a lump sum or by receiving part of it as an annuity and the remaining as a lump sum. According to the provisions of the contracts, the employee must be of retirement age in order to be able to receive the pension fund, which varies depending on birth date, but retirement is not mandatory.

For two Cypriot subsidiaries, Philoktimatiki Public Ltd and Philoktimatiki Ergoliptiki Ltd, the employer and employees pay contributions to the State Social Insurance Fund calculated on the basis of the employees' salaries. Additionally, these subsidiaries operate a defined contribution plan, the assets of which are held in a separate fund managed by a Committee. The plan is funded by payments made by the employer and the employees.

8) Child Savings Private Defined Contribution Plans of Greek Subsidiaries

Piraeus Insurance Agency S.A. offers defined-contribution plans to their employees children, which have the same terms and requirements.

The total amount raised during period of insurance (i.e. employee’s and Bank’s contributions, as well as interest) is paid in the form of a lump sum either to the child in case certain prerequisites are fulfilled, such as child’s marriage, employment, 25th year of age and death of employee-parent or to the employee-parent in cases such as departure from the Bank due to retirement, resignation, participation in voluntary exit scheme, permanent or total disability and death of the insured child.

9) Private Health Plans of Greek Subsidiaries

Piraeus Leasing S.A., Piraeus Financial Leases S.A., ETVA Industrial Parks S.A., Piraeus Real Estate S.A., Piraeus Insurance Agency S.A., Piraeus Direct Solutions S.A., Piraeus Factoring S.A., Piraeus Securities S.A., Piraeus Asset Management S.A., Piraeus Capital Management S.A., Piraeus Jeremy Technology Catalyst Management S.A. and Piraeus Bank Group Cultural Foundation, offer employees group health plans, which include employee’s life insurance, reimbursement in case of employee’s permanent and total disability due to accident or serious illness, employee’s and/or dependent’s hospital care and outpatient care, surgery/hospitalisation allowance and maternity allowance. The Subsidiaries pay monthly or annual premiums to the insurance companies. For coverage for hospital and outpatient care of a spouse or child in the plan, in the cases of Piraeus Leasing S.A., Piraeus Financial Leases S.A, Piraeus Insurance Agency S.A., Piraeus Factoring S.A., Piraeus Securities S.A., Piraeus Asset Management S.A. and Piraeus Bank Group Cultural Foundation the premiums are also paid by the Subsidiaries. In the case of ETVA Industrial Parks S.A. and Piraeus Real Estate S.A. the employee pays monthly premiums per insured person which are deducted from the monthly salary. For, Piraeus Direct Solutions S.A., Piraeus Capital Management S.A. and Piraeus Jeremy Technology Catalyst Management S.A in case of insurance in the plan of a spouse or child that is not insured for social health insurance under the employee, the employee pays a monthly fixed amount per insured person which is deducted from the monthly salary.

10) Private Health Plans of Foreign Branches and Subsidiaries

The London Branch of Piraeus Bank offers employees group health plan, which includes employee's life insurance, reimbursement in case of employee's permanent and total disability due to accident or serious illness, employee's and/or dependent's hospital care and outpatient care. Premiums are paid by the Bank on an annual basis. Employees have the possibility to insure relatives under specific criteria, in the program with the same benefits for the coverage of hospital and outpatient care, for whom the premium is paid by the Bank.

Piraeus Insurance Brokerage EOOD and Varna Asset Management EOOD offer employees group health plan for hospital and outpatient care. Premiums are paid monthly. The employee pays the premium for insuring family (children, spouse and parents).

JSC Piraeus Bank ICB, Solum Enterprise LLC and Akinita Ukraine LLC in Ukraine offer employees group health plans for hospital and outpatient care. Premiums are paid per quarter.

Piraeus Leasing Romania IFN S.A. offer a check-up (on an annual basis or more frequently under specific circumstances e.g. long-term leave of employee due to illness) only to employees, not provided on the basis of an insurance contract.

Philoktimatiki Public Ltd & Philoktimatiki Ergoliptiki Ltd in Cyprus offer employees group health plan, which includes employee's life insurance, reimbursement in case of employee's permanent and total disability due to accident or serious illness, employee's and/or dependent's hospital care and outpatient care. Premiums are paid monthly by both the employees and the Subsidiaries.

38 Leases

The table below presents the contractual undiscounted cash flows of the Group's and the Bank's gross lease liabilities as at 31 December 2019 and as at the date of transition to IFRS 16, that is 1 January 2019. The Group and the Bank have elected to take a recognition exemption for short-term leases, hence the analysis below does not include any leases with a residual term lower than 12 months as of 1 January 2019.

	31/12/2019	1/1/2019	31/12/2019	1/1/2019
Up to 1 year	31	32	27	29
From 1 to 5 years	88	96	82	89
More than 5 years	49	64	53	68
Total undiscounted gross liabilities	**168**	**192**	**162**	**186**

As at 31 December 2019, the present value of lease liabilities amounts to € 139 million for the Group (1 January 2019: € 157 million) and € 146 million for the Bank (1 January 2019: € 167 million).

Lease liabilities are included in line item "Other liabilities".

Refer to Note 49 for the IFRS 16 first time adoption transitional disclosures.

a. Lease liabilities

Amounts recognized in profit or loss- ROU own assets	Group	Bank
	1/1-31/12/2019	
Interest on lease liabilities	3	4
Depreciation charge for the year	25	27
Expenses relating to short-term leases	16	15
Gains or losses arising from sale and leaseback transactions	-	-

b. Lease receivables

Gross investments in finance leases	Group		Bank	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Up to 1 year	529	650	25	24
From 1 to 5 years	317	289	4	5
More than 5 years	800	942	4	8
Total undiscounted lease payments receivable	**1,646**	**1,881**	**33**	**37**
Less: Unearned finance income	182	217	2	3
Net investment in the lease	**1,464**	**1,664**	**31**	**33**

Future income from operating leases	Group		Bank	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Up to 1 year	38	38	13	11
From 1 to 5 years	142	152	57	60
More than 5 years	81	93	26	18
Total undiscounted lease payments receivable	261	283	96	89

39 Contingent liabilities, assets pledged, transfers of financial assets and commitments

39.1 Legal proceedings

The Group and the Bank are defendants in certain claims and legal actions deriving from the ordinary course of business. For the cases for which a provision has not been recognised, Management is currently unable to estimate the possible losses as:

a) the proceedings are either in early stages or are long outstanding without any certainty of the likelihood and magnitude of the final outcome, or

b) there are significant pending legal issues to be resolved that might significantly change such an assessment.

However, based on Management's judgement and after consultation with the Group's and the Bank's Legal Counsels Department, the ultimate disposition of these matters is not expected to have a material adverse effect on the Statement of Financial Position, Income Statement and Cash Flow Statement of the Group and the Bank. As at 31 December 2019, Management estimated provision for cases under litigation for which a reliable estimation could be made for the Group and the Bank amounting to € 32 million and € 26 million respectively (31 December 2018: € 35 million and € 28 million for the

Group and the Bank respectively).

39.2 Pending tax audits

The Bank has been audited by the tax authorities up to and including the year 2010.

For the years 2011 - 2016, tax audits were required for the Bank and all Greek Societe Anonyme Companies. Such tax audits were conducted by the statutory auditors under Greek Law 2190/1920 according to article 82 of Greek Law 2238/1994 and article 65A of Greek Law 4174/2013 as were in force.

From 2016 onwards the requirement to obtain a tax audit became optional, however Management has opted for the Bank and the Group's Greek subsidiaries to continue to obtain the Tax Audit Certificate from the respective statutory auditors. The Tax Administration retains its right to proceed with a tax audit, within the applicable statute of limitations in accordance with article 36 of Greek Law 4174/2013, as currently in force.

In accordance with the article 82 para. 5 of Greek Law 2238/1994 as were in force, the tax audits of the Bank, conducted by PricewaterhouseCoopers S.A. for the fiscal years of 2011 and 2012, have been completed and unqualified Tax Audit Certificates have been issued.

The tax audit for the fiscal year 2013 has been completed by PricewaterhouseCoopers S.A. and a relevant Tax Audit Certificate has been issued and submitted to the Ministry of Finance. For the fiscal year 2013, Piraeus Bank has received a Tax Audit Certificate with an emphasis of matter on the applicable provisions of Greek Tax Law regarding the acquisition of assets and liabilities of Greek branches of credit institutions domiciled in other countries members of the European Union, according to which the above-mentioned transactions are not subject to tax.

For the fiscal years 2014, 2015 and 2016, the tax audits of the Bank conducted by PricewaterhouseCoopers S.A have been completed and an unqualified Tax Audit Certificates has been issued. For the fiscal years 2017 and 2018, the tax audit of the Bank was conducted by Deloitte Certified Public Accountants S.A. and an unqualified Tax Audits Certificate has been issued. For the fiscal year 2019 the tax audit is in progress and is carried out by the Bank’s statutory auditor, Deloitte Certified Public Accountants S.A.

Regarding the subsidiaries of the Group that are incorporated in Greece and for which Management has elected optionally to obtain the Tax Certificate based on Greek Law article 65a of Greek Law 4174/2013 the tax audits of these entities for the year 2018 have been completed and the relevant Tax Audit Certificates have been issued, whereas for the year 2019 the tax audits are still in progress by the statutory auditors and have not been completed yet.

The unaudited tax years of the Group's subsidiaries, associates and joint ventures, are included in Note 23 and therefore their tax liabilities for these years have not been finalized.

Tax Authorities have not yet audited all subsidiaries for all financial years and consequently their tax positions for those years may not be considered as final.

Additional taxes and penalties may be imposed, for the unaudited years, although it is not expected to have a material effect on the Group’s and the Bank’s Statement of Financial Position.

39.3 Credit commitments

In the normal course of business, the Group and the Bank enter into contractual credit commitments towards its customers to facilitate their financing needs or obligations. Due to their nature, the credit commitments are treated as off-balance sheet items. These credit commitments consist of Letters of Guarantees, Letters of Credit and irrevocable undrawn committed credit facilities. Typically, Letters of guarantee and Letters of credit ensure payment to a third party for a customer's trade transactions or guarantee the performance of a customer to a third party. Irrevocable undrawn committed credit facilities are agreements to lend to a customer as long as there is no violation of the conditions established in the contract. The Group and the Bank, in measuring the credit risk of these Credit commitments, applies the same Credit Policy, approval process and monitoring procedures as those applied for the Loans and advances to customers at amortised cost.

As at 31 December 2019 the Group and the Bank had undertaken the following credit commitments:

	Group		Bank	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Financial guarantees	3,022	2,788	3,235	3,012
Letters of credit	25	33	23	32
Irrevocable undrawn credit commitments	405	469	461	513
Total commitments	**3,452**	**3,290**	**3,719**	**3,556**

Irrevocable undrawn committed credit facilities as at 31 December 2019 are included in the Risk Weighted Assets calculation for capital adequacy purposes under regulatory rules currently in force. It should be noted, that ECL allowance is measured for Letters of guarantee, Letters of credit and irrevocable undrawn credit commitments.

Group	Financial guarantees - Internal rating grade						
31/12/2019	Stage 1	Stage 2	Stage 3	POCI	Total	ECL Allowance	Balance
Strong	2,381	0	-	-	2,381	4	2,376
Recommended	261	-	-	-	261	6	255
Substandard	-	76	-	-	76	3	74
Default	-	-	304	-	304	101	203
Total	**2,642**	**76**	**304**	**0**	**3,022**	**114**	**2,909**

Group	Financial guarantees - Internal rating grade						
31/12/2018	Stage 1	Stage 2	Stage 3	POCI	Total	ECL Allowance	Balance
Strong	2,115	-	-	-	2,115	5	2,109
Recommended	274	0	-	-	274	6	267
Substandard	-	75	-	-	75	3	72
Default	-	-	325	-	325	105	220
Total	**2,388**	**75**	**325**	**0**	**2,788**	**119**	**2,669**

Group	Financial guarantees - Movement in nominal amount				
31/12/2019	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Gross carrying amount as at 1/1/2019	**2,388**	**75**	**325**	**-**	**2,788**
New off balance sheet items originated or purchased	1,021	16	58	-	**1,095**
Off balance sheet items repaid / matured	(770)	(11)	(74)	-	**(855)**
Off balance sheet items derecognized (excluding write offs)	(6)	-	-	-	**(6)**
Transferred from Stage 1 to Stage 2	(3)	3	-	-	**0**
Transferred from Stage 1 to Stage 3	(4)	-	4	-	**0**
Transferred from Stage 2 to Stage 1	8	(8)	-	-	**0**
Transferred from Stage 2 to Stage 3	-	(0)	0	-	**0**
Transferred from Stage 3 to Stage 1	7	-	(7)	-	**0**
Transferred from Stage 3 to Stage 2	-	1	(1)	-	**0**
FX differences	0	-	-	-	**0**
At 31/12/2019	**2,642**	**76**	**305**	**0**	**3,022**

Group	Financial guarantees - Movement in nominal amount				
31/12/2018	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Gross carrying amount as at 1/1/2018	**2,262**	**186**	**321**	**-**	**2,770**
New off balance sheet items originated or purchased	1,270	6	66	**-**	**1,342**
Off balance sheet items repaid / matured	(1,100)	(107)	(86)	-	**(1,293)**
Transfer to Discontinued Operations	(28)	(3)	(1)	-	**(32)**
Off balance sheet items derecognized (excluding write offs)	-	(0)	-	-	**(0)**
Transferred from Stage 1 to Stage 2	(32)	32	-	-	**0**
Transferred from Stage 1 to Stage 3	(16)	-	16	-	**0**
Transferred from Stage 2 to Stage 1	25	(25)	-	-	**0**
Transferred from Stage 2 to Stage 3	-	(15)	15	-	**0**
Transferred from Stage 3 to Stage 1	6	-	(6)	-	**0**
Transferred from Stage 3 to Stage 2	-	2	(2)	-	**0**
FX differences	0	0	-	-	**0**
Other	0	(1)	1	-	**(0)**
At 31/12/2018	**2,388**	**75**	**325**	**0**	**2,788**

Group	Financial guarantees - Movement in ECL allowance				
31/12/2019	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
ECL allowance as at 1/1/2019	**12**	**3**	**105**	**-**	**119**
Transferred from Stage 1 to Stage 2	(0)	0	-	-	**0**
Transferred from Stage 1 to Stage 3	(0)	-	0	-	**0**
Transferred from Stage 2 to Stage 1	1	(1)		-	**0**
Transferred from Stage 2 to Stage 3	-	(0)	0	-	**0**
Transferred from Stage 3 to Stage 2	-	6	(6)	-	**0**
Charge for new off balance sheet items from derecognitions (P&L)	0	-	-	-	**0**
ECL Impairment charge/ (release) for the year (P&L)	(2)	(5)	2	-	**(6)**
Write-off of ECL allowance	(0)	-	-	-	**(0)**
FX differences	0	-	-	-	**0**
At 31/12/2019	**10**	**3**	**101**	**0**	**114**

Group	Financial guarantees - Movement in ECL allowance				
31/12/2018	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
ECL allowance as at 1/1/2018	**14**	**8**	**114**	**-**	**136**
Transfer to Discontinued Operations	(0)	(0)	-	-	**(0)**
Transferred from Stage 1 to Stage 2	(1)	1	-	-	**0**
Transferred from Stage 1 to Stage 3	(5)	-	5	-	**0**
Transferred from Stage 2 to Stage 1	0	(0)	-	-	**0**
Transferred from Stage 2 to Stage 3	-	(3)	3	-	**0**
Transferred from Stage 3 to Stage 1	0	-	(0)	-	**0**
Transferred from Stage 3 to Stage 2	-	0	(0)	-	**0**
ECL Impairment charge/ (release) for the year (P&L)	3	(3)	(18)	-	**(18)**
FX differences	0	0	1	-	**1**
Other movements	0	0	(0)	-	**0**
At 31/12/2018	**12**	**3**	**105**	**0**	**119**

Bank	Financial guarantees - Internal rating grade						
31/12/2019	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**	**ECL Allowance**	**Balance**
Strong	2,502	-	-	-	2,502	4	2,498
Recommended	352	-	-	-	352	6	346
Substandard	-	76	-	-	76	3	74
Default	-	-	305	-	305	101	203
Total	**2,854**	**76**	**305**	**0**	**3,235**	**114**	**3,121**

Bank	Financial guarantees - Internal rating grade						
31/12/2018	Stage 1	Stage 2	Stage 3	POCI	Total	ECL Allowance	Balance
Strong	2,248	-	-	-	2,248	5	2,243
Recommended	364	-	-	-	364	7	357
Substandard	-	75	-	-	75	3	72
Default	-	-	325	-	325	105	220
Total	**2,612**	**75**	**325**	**0**	**3,012**	**120**	**2,892**

Bank	Financial guarantees - Movement in nominal amount				
31/12/2019	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount as at 1/1/2019	**2,612**	**75**	**325**	**-**	**3,012**
New off balance sheet items originated or purchased	1,017	16	58	-	**1,091**
Off balance sheet items repaid / matured	(783)	(11)	(74)	-	**(868)**
Transferred from Stage 1 to Stage 2	(3)	3	-	-	**0**
Transferred from Stage 1 to Stage 3	(4)	-	4	-	**0**
Transferred from Stage 2 to Stage 1	8	(8)	-	-	**0**
Transferred from Stage 2 to Stage 3	-	(0)	0	-	**0**
Transferred from Stage 3 to Stage 1	7	-	(7)	-	**0**
Transferred from Stage 3 to Stage 2	-	1	(1)	-	**0**
At 31/12/2019	**2,854**	**76**	**305**	**0**	**3,235**

Bank	Financial guarantees - Movement in nominal amount				
31/12/2018	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount as at 1/1/2018	**2,435**	**183**	**322**	**-**	**2,939**
New off balance sheet items originated or purchased	1,295	6	66	-	**1,367**
Off balance sheet items repaid/ matured	(1,101)	(107)	(86)	-	**(1,294)**
Transferred from Stage 1 to Stage 2	(31)	31	-	-	**0**
Transferred from Stage 1 to Stage 3	(16)	-	16	-	**0**
Transferred from Stage 2 to Stage 1	25	(25)	-	-	**0**
Transferred from Stage 2 to Stage 3	-	(15)	15	-	**0**
Transferred from Stage 3 to Stage 1	7	-	(7)	-	**0**
Transferred from Stage 3 to Stage 2	-	2	(2)	-	**0**
At 31/12/2018	**2,612**	**75**	**325**	**0**	**3,012**

Bank	**Financial guarantees - Movement in ECL allowance**				
31/12/2019	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
ECL allowance as at 1/1/2019	**13**	**3**	**105**	**-**	**120**
Transferred from Stage 1 to Stage 2	(0)	0	-	-	**0**
Transferred from Stage 1 to Stage 3	(0)	-	0	-	**0**
Transferred from Stage 2 to Stage 1	1	(1)	-	-	**0**
Transferred from Stage 2 to Stage 3	-	(0)	0	-	**0**
Transferred from Stage 3 to Stage 1	-		-	-	**0**
Transferred from Stage 3 to Stage 2	-	6	(6)	-	**0**
ECL Impairment charge/ (release) for the year (P&L)	(3)	(5)	2	-	**(6)**
Write-off of ECL allowance	(0)	-	-	-	**(0)**
At 31/12/2019	**10**	**3**	**101**	**0**	**114**

Bank	**Financial Guarantees - Movement in ECL allowances**				
31/12/2018	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
ECL allowance as at 1/1/2018	**14**	**8**	**114**	**-**	**136**
Transferred from Stage 1 to Stage 2	(1)	1	-	-	**0**
Transferred from Stage 1 to Stage 3	(5)	-	5	-	**0**
Transferred from Stage 2 to Stage 1	0	(0)	-	-	**0**
Transferred from Stage 2 to Stage 3	-	(3)	3	-	**0**
Transferred from Stage 3 to Stage 1	0	-	(0)	-	**0**
Transferred from Stage 3 to Stage 2	-	0	(0)	-	**0**
ECL Impairment charge/ (release) for the year (P&L)	3	(3)	(18)	-	**(17)**
FX differences	0	0	1	-	**1**
At 31/12/2018	**13**	**3**	**105**	**0**	**120**

Group	**Letter of credit - Internal rating grade**						
31/12/2019	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**	**ECL Allowance**	**Balance**
Strong	22	-	-	-	22	0	22
Recommended	1	-	-	-	1	0	1
Substandard	-	-	-	-	0	-	-
Default	-	-	1	-	1	0	1
Total	**23**	**0**	**1**	**0**	**25**	**0**	**24**

Group	Letter of credit - Internal rating grade						
31/12/2018	Stage 1	Stage 2	Stage 3	POCI	Total	ECL Allowance	Balance
Strong	29	-	-	-	29	0	28
Recommended	3	-	-	-	3	0	3
Substandard	-	0	-	-	0	0	0
Default	-	-	2	-	2	0	2
Total	**31**	**0**	**2**	**0**	**33**	**0**	**33**

Group	Letters of credit - Movement in nominal amount				
31/12/2019	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount as at 1/1/2019	**31**	**0**	**2**	**-**	**33**
New off balance sheet items originated or purchased	17	-	1	-	**18**
Off balance sheet items repaid/ matured	(22)	(0)	(2)	-	**(25)**
Off balance sheet items derecognized (excluding write offs)	(2)	-	-	-	**(2)**
FX differences	0	-	-	-	**0**
At 31/12/2019	**23**	**0**	**1**	**0**	**25**

Group	Letters of credit - Movement in nominal amount				
31/12/2018	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount as at 1/1/2018	**26**	**1**	**10**	**-**	**37**
New off balance sheet items originated or purchased	13	0	2	-	**15**
Transfer to Discontinued Operations	(3)	-	-	-	**(3)**
Off balance sheet items repaid/ matured	(5)	(1)	(10)	-	**(16)**
FX differences	0	-	-	-	**0**
Other	(0)	-	-	-	**(0)**
At 31/12/2018	**31**	**0**	**2**	**0**	**33**

Group	Letters of credit - Movement in ECL allowance				
31/12/2019	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance as at 1/1/2019	**0**	**0**	**0**	**-**	**0**
Charge for new off balance sheet items from derecognitions (P&L)	0	-	-	-	**0**
ECL Impairment charge/ (release) for the year (P&L)	(0)	(0)	(0)	-	**(0)**
Write-off of ECL allowance	(0)	-	-	-	**(0)**
FX differences	0	-	-	-	**0**
At 31/12/2019	**0**	**0**	**0**	**0**	**0**

Group	Letters of credit - Movement in ECL allowance				
31/12/2018	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
ECL allowance as at 1/1/2018	**0**	**0**	**1**	**-**	**2**
Transferred from Stage 1 to Stage 2	(0)	-	-	-	**(0)**
Reversal of impairment allowances no longer required (P&L)	0	-	-	-	**0**
Recoveries of amounts previously written-off (P&L)	0	(0)	(1)	-	**(1)**
Other movements	0	0	0	-	**0**
At 31/12/2018	**0**	**0**	**0**	**0**	**0**

Bank	Letter of credit - Internal rating grade						
31/12/2019	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**	**ECL Allowance**	**Balance**
Strong	20	-	-	-	20	0	20
Recommended	1	-	-	-	1	0	1
Substandard	-	-	-	-	0	-	-
Default	-	-	1	-	1	0	1
Total	**22**	**0**	**1**	**0**	**23**	**0**	**23**

Bank	Letters of credit - Internal rating grade						
31/12/2018	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**	**ECL Allowance**	**Balance**
Strong	27	-	-	-	27	0	27
Recommended	3	-	-	-	3	0	3
Substandard	-	0	-	-	0	0	0
Default	-	-	2	-	2	0	2
Total	**30**	**0**	**2**	**0**	**32**	**0**	**32**

Bank	Letters of credit - Movement in nominal amount				
31/12/2019	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Gross carrying amount as at 1/1/2019	**30**	**0**	**2**	**-**	**32**
New off balance sheet items originated or purchased	15	-	1	-	**16**
Off balance sheet items repaid/ matured	(22)	(0)	(2)	-	**(25)**
At 31/12/2019	**22**	**0**	**1**	**0**	**23**

Bank	Letters of Credit - Movement in nominal amount				
31/12/2018	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Gross carrying amount as at 1/1/2018	**23**	**1**	**10**	**-**	**34**
New off balance sheet items originated or purchased	11	0	2	-	**13**
Off balance sheet items repaid/ matured	(5)	(1)	(10)	-	**(16)**
At 31/12/2018	**30**	**0**	**2**	**0**	**32**

Bank	Letters of credit - Movement in ECL allowance				
31/12/2019	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance as at 1/1/2019	**0**	**0**	**0**	**-**	**0**
ECL Impairment charge/ (release) for the year (P&L)	(0)	(0)	(0)	-	**(0)**
Write-off of ECL allowance	(0)	-	-	-	**(0)**
At 31/12/2019	**0**	**0**	**0**	**0**	**0**

Bank	Letters of credit - Movement in ECL allowance				
31/12/2018	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance as at 1/1/2018	**0**	**0**	**1**	**-**	**2**
ECL Impairment charge/ (release) for the year (P&L)	0	(0)	(1)	-	**(1)**
FX differences	0	0	0	-	**0**
At 31/12/2019	**0**	**0**	**0**	**0**	**0**

Group	Irrevocable Undrawn Credit Commitments - Internal rating grade						
31/12/2019	Stage 1	Stage 2	Stage 3	POCI	Total	ECL Allowance	Balance
Strong	293	-	-	-	**293**	2	291
Recommended	37	-	-	-	**37**	1	37
Substandard	-	55	-	7	**63**	3	59
Default	-	-	7	4	**12**	0	12
Total	**330**	**55**	**7**	**12**	**405**	**6**	**399**

Group	Irrevocable Undrawn Credit Commitments - Internal rating grade						
31/12/2018	Stage 1	Stage 2	Stage 3	POCI	Total	ECL Allowance	Balance
Strong	327	-	-	-	**327**	5	322
Recommended	64	-	-	-	**64**	2	62
Substandard	0	63	-	7	**69**	5	65
Default	0	-	5	3	**9**	0	9
Total	**391**	**63**	**5**	**10**	**469**	**12**	**457**

Group	Irrevocable Undrawn Credit Commitments - Movement in ECL allowances				
31/12/2019	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance as at 1/1/2019	**7**	**4**	**0**	**0**	**12**
Transferred from Stage 1 to Stage 2	(0)	0	-	-	**0**
Transferred from Stage 1 to Stage 3	(0)	-	0	-	**0**
Transferred from Stage 2 to Stage 1	2	(2)	-	-	**0**
Transferred from Stage 2 to Stage 3		(1)	1		**0**
Transferred from Stage 3 to Stage 2	-	0	(0)	-	**0**
Charge for new off balance sheet items from derecognitions (P&L)	0	0	0	-	**0**
ECL Impairment charge/ (release) for the year (P&L)	(6)	2	(1)	(0)	**(6)**
Write-off of ECL allowance	(0)	-	-	-	**(0)**
FX differences	0	0	0	-	**0**
At 31/12/2019	**3**	**3**	**0**	**0**	**6**

Group	Irrevocable Undrawn Credit Commitments - Movement in ECL allowances				
31/12/2018	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance as at 1/1/2018	5	10	0	1	**16**
Transferred from Stage 1 to Stage 2	(1)	1	-	-	**0**
Transferred from Stage 2 to Stage 1	0	(0)	-	-	**0**
Charge for new off balance sheet items originated or purchased (P&L)	0	0	0	-	**0**
Reversal of impairment allowances no longer required (P&L)	(0)	(0)	(0)	-	**(0)**
ECL Impairment charge/ (release) for the year (P&L)	3	(5)	-	(1)	**(3)**
FX differences	(1)	(1)	0	(0)	**(2)**
At 31/12/2018	**7**	**4**	**0**	**0**	**12**

Bank	Irrevocable Undrawn Credit Commitments - Internal rating grade						
31/12/2019	Stage 1	Stage 2	Stage 3	POCI	Total	ECL Allowance	Balance
Strong	337	-	-	-	**337**	2	335
Recommended	50	-	-	-	**50**	1	49
Substandard	-	55	-	7	**63**	3	59
Default	-	-	7	4	**12**	-	12
Total	**387**	**55**	**7**	**12**	**461**	**6**	**455**

Bank	Irrevocable Undrawn Credit Commitments - Internal rating grade						
31/12/2018	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**	**ECL Allowance**	**Balance**
Strong	370	-	-	-	370	5	365
Recommended	64	-	-	-	64	2	62
Substandard	-	63	-	7	69	5	65
Default	-	-	5	3	9	-	9
Total	**434**	**63**	**5**	**10**	**513**	**12**	**501**

Bank	Irrevocable Undrawn Credit Commitments - Movement in ECL allowances				
31/12/2019	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
ECL allowance as at 1/1/2019	**7**	**4**	**0**	**0**	**12**
Transferred from Stage 1 to Stage 2	(0)	0	-	-	**0**
Transferred from Stage 1 to Stage 3	(0)	-	0	-	**0**
Transferred from Stage 2 to Stage 1	2	(2)	-	-	**0**
Transferred from Stage 2 to Stage 3	-	(1)	1	-	**0**
Transferred from Stage 3 to Stage 2	-	0	(0)	-	**0**
Charge for new off balance sheet items from derecognitions (P&L)	0	0	0	-	**0**
ECL Impairment charge/ (release) for the year (P&L)	(6)	2	(1)	(0)	**(6)**
Write-off of ECL allowance	(0)	-	-	-	**(0)**
FX differences	0	0	0	-	**0**
At 31/12/2019	**3**	**3**	**0**	**0**	**6**

Bank	Irrevocable Undrawn Credit Commitments - Movement in ECL allowances				
31/12/2018	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
ECL allowance as at 1/1/2018	**5**	**10**	**-**	**1**	**16**
Transferred from Stage 1 to Stage 2	(1)	1	-	-	**0**
Transferred from Stage 2 to Stage 1	0	(0)	-	-	**0**
ECL Impairment charge/ (release) for the year (P&L)	3	(5)	-	(1)	**(3)**
FX differences	(1)	(1)	-	(0)	**(2)**
At 31/12/2018	**7**	**4**	**0**	**0**	**12**

39.4 Assets pledged

	Group		Bank	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Due from banks	892	646	892	646
Loans and advances to customers	1,350	1,841	1,350	1,841
Financial assets at FVOCI	39	39	39	39
Debt securities at amortised cost	-	5	-	5
Other assets	29	29	29	29
	2,311	**2,560**	**2,311**	**2,560**

The above-mentioned pledged assets are mainly used either for drawing liquidity through the Eurosystem under the general terms applying to such agreements and for margins for a) derivative transactions for which there are ISDA (International Swaps and Derivatives Association) contracts and CSA (Credit Support Annex) contracts, and b) repo transactions covered by GMRA (Global Master Repurchase Agreement) contracts.

In the context of the interbank repurchase agreement (repo) transactions, securities of a total nominal value of € 2,507 million for both the Group and Bank (31 December 2018: € 2,178 million and € 2,368 million for the Group and the Bank respectively) are used for liquidity purposes. The above total includes, Greek government securities of nominal value € 1,157 million for both the Group and the Bank (31 December 2018: € 1,204 million and € 1,394 million for the Group and the Bank respectively) and own issue debt securities of nominal value € 250 million for both the Group and the Bank (31 December 2018: € 622 million for both the Group and the Bank).

On 31 December 2019, further to the above assets pledged, both the Group and the Bank have blocked financial assets amounting to € 168 million (31 December 2018: € 168 million for both the Group and the Bank), which are included in line “Due from banks” in the context of guarantee against the default of the Greek State.

It is also noted that the "Loans and advances to customers" as presented in the above table, have been pledged under financing from the ECB.

40 Share capital and contingent convertible securities

	Bank					Group
	Share Capital	Share Premium	Contingent convertible securities	Total	Treasury Shares	Total
Opening balance at 1/1/2018	**2,620**	**13,075**	**2,040**	**17,735**	**(1)**	**17,734**
(Purchases)/ sales of treasury shares	-	-	-	-	-	-
Balance at 31/12/2018	**2,620**	**13,075**	**2,040**	**17,735**	**(1)**	**17,734**
Opening balance at 1/1/2019	**2,620**	**13,075**	**2,040**	**17,735**	**(1)**	**17,734**
(Purchases)/ sales of treasury shares	-	-	-	-	-	-
Balance at 31/12/2019	**2,620**	**13,075**	**2,040**	**17,735**	**(1)**	**17,734**

	Number of shares		
	Bank		Group
	Issued shares	Treasury shares	Net number of shares
Opening balance at 1/1/2018	**436,659,164**	**(191,669)**	**436,467,495**
Purchases of treasury shares	-	(4,707,405)	(4,707,405)
Sales of treasury shares	-	4,530,947	4,530,947
Balance at 31/12/2018	**436,659,164**	**(368,127)**	**436,291,037**
Opening balance at 1/1/2019	**436,659,164**	**(368,127)**	**436,291,037**
Purchases of treasury shares	-	(5,296,895)	(5,296,895)
Sales of treasury shares	-	5,503,000	5,503,000
Balance at 31/12/2019	**436,659,164**	**(162,022)**	**436,497,142**

The Bank's share capital as at 31 December 2019 and 2018 amounted to € 2,619,954,984 divided into 436,659,164 ordinary registered shares with a nominal value of € 6.00 each.

In addition, the contingent convertible securities of the Bank that were issued in the context of the share capital increase completed in December 2015 and were covered exclusively by the HFSF with bonds issued by the ESM, on 31 December 2019 and 2018 corresponded to the amount of € 2,040 million.

The main terms of the contingent convertible bonds are summarised as follows:

- If the CET1 ratio of the Bank, calculated on a separate or a consolidated basis falls below 7%, the contingent convertible bonds will be mandatorily converted into ordinary shares and the number of ordinary shares to be issued to each holder shall be determined by dividing 116% of the initial nominal amount of the outstanding contingent convertible bonds held, by the conversion price.
- The contingent convertible bonds are interest bearing with an annual rate of 8%, payable annually on an accrual basis. Interest Payments (whether in whole or in part) are left to the discretion of the Bank's Board of Directors. Any interest which is so cancelled shall not accumulate or be payable at any future time. The cancellation of interest does not constitute a default in payment or otherwise under the terms of the Bonds. In case the Bank does not make any of the scheduled interest payments in full on the relevant interest payment date, no dividend shall be paid on ordinary shares until the Bank resumes payment of interest.
- The contingent convertible bonds are mandatorily converted into ordinary shares, if interest payments are not paid by the Bank in whole or partially in two interest payment dates (not necessarily consecutive), excluding for this purpose any interest satisfied through the issuance of common shares in lieu of payment in cash.
- The contingent convertible bonds do not have a fixed repayment date.

On 31 December 2019, contingent convertible bonds form part of the Bank's equity, as all the relevant criteria in the provisions of IAS 32 "Financial Instruments: Presentation" are met.

Finally, pursuant to par. 1, art. 16C of Law 3864/2010, the acquisition of treasury shares by the Bank is not permitted, without the approval of the HFSF, for as long as the HFSF is a shareholder of the Bank. The purchases and sales of treasury shares during 2018 and 2019, as well as the treasury shares owned as at 31 December 2019 and 2018, are related to transactions that are carried out by the Group's subsidiary Piraeus Securities S.A. through its activities which are derived from its role as a market maker.

41 Other reserves and retained earnings

	Group		Bank	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Legal reserve	84	108	69	69
Extraordinary reserve	0	0	-	-
Reserve from financial assets measured at FVTOCI	236	97	236	93
Currency translation reserve	(54)	(59)	-	-
Other reserves	34	36	27	27
Total other reserves	**300**	**182**	**332**	**189**
Retained earnings	**(10,375)**	**(10,526)**	**(10,514)**	**(10,370)**

Legal reserve: Pursuant to the article 24 of the Bank's Articles of Association, as in force, at least 5% is deducted from the net profit for the period for the formation of the legal reserve. The deduction for the formation of the legal reserve ceases to be mandatory when it reaches 1/2 of the paid share capital.

According to the article 44 of Codified Law 2190/1920, as in force, this reserve can only be used to offset any debit balance in "Retained earnings".

Extraordinary reserve: ‘’Extraordinary reserve’’ is formed on the basis of a provision of the Bank’s Articles of Association or by a decision of the General Assembly of the shareholders and can be used for any purpose.

Other reserves: ‘’Other reserves’’ include reserves of different origins and specific provisions of the law and have a specific purpose and goal.

The table below shows the movement in “Total Other Reserves”.

Other reserves movement	Group		Bank	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Opening balance	182	78	189	212
Change in reserve from financial assets measured at FVTOCI	139	(22)	143	(23)
Transfers between other reserves and retained earnings	2	(15)	-	-
Disposals	(28)	(8)	-	-
Change in currency translation reserve	5	149	-	-
Closing balance	**300**	**182**	**332**	**189**

The table below shows the movement in reserve from financial assets measured at FVTOCI.

Fair value through other comprehensive income reserve movement	Group		Bank	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Opening balance	**97**	**119**	**93**	**116**
Gains/(losses) from the valuation of bonds	180	(26)	179	(26)
Gains/(losses) from the valuation of shares	43	(10)	40	(10)
Impairment losses/ (releases) on bonds	(8)	(5)	(8)	(6)
Recycling of the valuation and accumulated impairment of disposals	(12)	15	(5)	15
Deferred income taxes	(62)	5	(63)	4
Foreign exchange differences	(0)	0	-	-
Closing balance	**236**	**97**	**236**	**93**

The table below shows the movement in Retained Earnings.

	Group		Bank	
Retained earnings movement	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Opening balance	**(10,526)**	**(10,335)**	**(10,370)**	**(10,389)**
Other comprehensive income, net of tax	(6)	0	(6)	0
Profit/ (loss) for the year after tax attributable to the shareholders of the parent entity	279	(158)	27	51
Payment to the holders of contingent convertible bonds	(165)	-	(165)	-
Profit/ (loss) from sales of treasury shares	0	(1)	-	-
Transfer between other reserves and retained earnings	(2)	11	-	-
Recycling of the accumulated reserve from financial assets measured at FVTOCI	2	(32)	0	(32)
Disposals and movement in participating interest	43	(11)	-	-
Closing balance	**(10,375)**	**(10,526)**	**(10,514)**	**(10,370)**

42 Dividend per share

The distribution of dividend for the year 2019 is not permitted as the provisions of the article 159 of the Law 4548/2018 (Reform of the Law of Sociétés Anonymes) are not met and the restrictions of the same article of the Law exist.

According to article 10, par. 3 of Greek Law 3864/2010 for the "Establishment of the Hellenic Financial Stability Fund", Banks for the period they participate in the capital support programs as described by L. 3864/2010, are not allowed to distribute dividends higher than the percentage 35% of the profits as provided in article 161 par. 2 of Law 4548/2018. Moreover, representatives of the HFSF who participate in the Banks' Board of Directors, have the right to veto on any decision related to the distribution of dividends.

Furthermore restrictions to the distribution of dividend were also enacted from the provisions of the Cabinet Act 36/2015, issued under Greek Law 3864/2010, as in force, according to which dividend's distribution is not allowed in case that the Bank does not pay in full, on the relevant interest payment date, any scheduled interest payments on the contingent convertible securities, which were issued in the context of the Bank's recapitalisation.

According to the Regulation (EU) No 1024/2013 in combination with the respective provisions of the Regulation (EU) No

575/2013 and those of the Directive 2013/36/EU, transposed in the national legislation order by the Greek Law 4261/2014, in the context of the aim of strengthening the safety and soundness of the euro – area banking system, credit institutions are subject to the provisions of the ECB Recommendation (ECB/2019/1) on dividend distribution policies during the year 2019 for the fiscal year 2018 and the respective provisions of the Executive Committee Act No 157/04.02.2019 of the Bank of Greece on dividend distribution policies during the year 2019 for the fiscal year 2018, and respectively to the provisions of the ECB Recommendation (ECB/2020/1) and the relevant Letter of the ECB dated 21 January 2020 on dividend distribution policies during the year 2020 for the fiscal year 2019.

In compliance with the above, the Board of Directors of the Bank will propose the non – distribution of dividends for the fiscal year 2019 in the Annual General Meeting of Shareholders of 2020.

43 Cash and cash equivalents

For the purpose of the Cash Flow Statement, cash and cash equivalents from continuing activities comprise the following outstanding balances as at 31 December 2019 and 2018 with less than 90 days maturity from the date of their initial recognition.

	Group		Bank	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Cash and balances with Central Banks (Note 16)	3,346	2,570	3,314	2,548
Due from banks (Note 17)	340	399	269	273
Financial assets at fair value through profit or loss (Note 19)	19	1	19	1
Financial assets at fair value through other comprehensive income (Note 21)	38	132	38	132
	3,742	**3,102**	**3,640**	**2,954**

Cash and cash equivalents from discontinued activities as at 31 December 2019 amounted to € 0.02 million (31 December 2018: € 249 million).

44 Related parties transactions

Related parties are:

a) Members of the Board of Directors and the Group Executive Committee, the Group Chief Internal Auditor, the Group Chief Compliance Officer, and the CEOs of the significant subsidiaries, collectively Key Management Personnel,

b) Close family members of Key Management Personnel,

c) Companies having transactions with Piraeus Bank, if the total cumulative participating interest (of Key Management Personnel and their close family members) exceeds cumulatively 20%,

d) Subsidiaries,

e) Associates,

f) Joint ventures and

g) HFSF, which holds ordinary shares in the share capital of the Bank and benefits from the special rights stated in article 10 of Greek Law 3864/2010, as amended and in force.

The transactions with the above related parties are under the usual market terms and within the normal course of business. Loans and advances to customers at amortised cost and letters of guarantee, have been issued to related parties, within the approved credit policies and Group procedures, are adequately collateralized and the risk of their repayment is within the normal course of the market conditions.

Related party transactions with the Key Management Personnel, as well as with the other related party categories as described in points (b) and (c) above, are presented in the table below. It is noted that, with the exception of the interest payment on the outstanding contingent convertible bonds of € 165 million for the Group and the Bank in December 2019, there were no significant transactions with the HFSF for the year ended as at 31 December 2019.

Group	31/12/2019		31/12/2018	
(amounts in thousand €)	Key Management Personnel	Other related parties	Key Management Personnel	Other related parties
Loans and advances to customers at amortised cost (Gross carrying amount)	4,543	41	5,318	41
Due to customers	1,738	51	892	160
Letters of guarantee and letters of credit	-	-	-	-

Group	1/1 - 31/12/2019		1/1 - 31/12/2018	
(amounts in thousand €)	Key Management Personnel	Other related parties	Key Management Personnel	Other related parties
Income	84	9	88	63
Expense	14	0	1	0

Bank	31/12/2019		31/12/2018	
(amounts in thousand €)	Key Management Personnel	Other related parties	Key Management Personnel	Other related parties
Loans and advances to customers at amortised cost (Gross carrying amount)	4,541	41	5,318	41
Due to customers	1,648	51	797	160
Letters of guarantee and letters of credit	-	-	-	-

Bank	1/1 - 31/12/2019		1/1 - 31/12/2018	
(amounts in thousand €)	Key Management Personnel	Other related parties	Key Management Personnel	Other related parties
Income	83	9	85	63
Expense	12	0	1	0

Members of the Key Management Personnel benefits	Group		Bank	
(amounts in thousand €)	1/1 - 31/12/2019	1/1 - 31/12/2018	1/1 - 31/12/2019	1/1 - 31/12/2018
Short term benefits	5,440	4,870	4,601	4,435
Post employment benefits	470	278	460	263

Short term benefits of Key Management Personnel include wages, salaries, employers' share of social contributions and other charges.

The aggregate provisions for post-employment benefits to Key Management Personnel as at 31 December 2019 amounted to € 2 million for the Group and to € 1 million for the Bank compared to € 2 million as at 31 December 2018 for both the Group and the Bank. The amount of the above post employment benefits has been included in the retirement benefit obligations.

The ECL allowance for impairment on loans and advances to customers at amortised cost granted from the Group and the Bank to the Key Management Personnel and other related parties as at 31 December 2019 amounted to € 3 million (31 December 2018: € 3 million), while the ECL charge for the year 2019 is less than € 1 thousand (2018: € 0.6 million).

44.1 Subsidiaries

Bank´s balances from transactions with subsidiaries and the relevant results are as follows:

	Bank	
(amounts in thousand €)	31/12/2019	31/12/2018
Assets		
Due from banks	9,551	141,608
Loans and advances to customers at amortised cost (Gross carrying amount)	2,418,277	2,433,336
Derivative financial instruments	-	2,178
Other assets	144,275	187,409
Total	**2,572,103**	**2,764,530**
Liabilities		
Due to banks	53	320,138
Due to customers	296,499	235,755
Debt securities in issue at amortised cost	10,303	57,511
Other liabilities	62,374	15,175
Total	**369,229**	**628,579**

	Bank	
(amounts in thousand €)	1/1 - 31/12/2019	1/1 - 31/12/2018
Income		
Interest and similar income	89,462	58,971
Fee and commission income	12,194	10,728
Other income	(1,665)	1,510
Total	**99,991**	**71,209**
Expenses		
Interest expense and similar charges	(17,006)	(8,911)
Fee and commission expense	(327)	(6,107)
Operating expenses	(23,186)	(26,511)
Total	**(40,518)**	**(41,529)**

Letters of guarantee to subsidiaries of the Group as at 31 December 2019 amounted to € 215 million (31 December 2018: € 228 million). Other liabilities as at 31 December 2019 include an amount of € 54 million, which is related to lease liabilities of real estate of Bank's subsidiaries, according to IFRS16. Due to the fact that the Group has not implemented retrospectively IFRS16 based on its traditional provisions, the comparative amount as at 31 December 2018 does not include lease liabilities of subsidiaries' real estate.

The ECL allowance for impairment on loans and advances to customers at amortised cost granted from the Bank to the subsidiaries of the Group as at 31 December 2019 amounted to € 290 million (31 December 2018: € 73 million), while the ECL charge for the year 2019 is € 220 million (2018: € 0.4 million).

44.2 Associates

The transactions with associates and the relevant results are presented below:

	Group		Bank	
(amounts in thousand €)	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Loans and advances to customers (Gross carrying amount)	987,395	1,061,837	984,248	1,057,632
Derivative financial instruments	-	1,077	-	1,077
Other	6,959	3,560	3,810	197
Due to customers	71,634	83,646	71,634	69,247
Other liabilities	27,840	3,535	26,124	1,692

	Group		Bank	
(amounts in thousand €)	1/1 - 31/12/2019	1/1 - 31/12/2018	1/1 - 31/12/2019	1/1 - 31/12/2018
Total expense and capital expenditure	(73,454)	(21,648)	(73,402)	(20,753)
Total income	50,806	51,339	47,254	47,795

The ECL allowance for impairment on loans and advances to customers granted from the Group and the Bank to associate companies as at 31 December 2019 amounted to € 160 million (31 December 2018: € 87 million), while the ECL charge for the year 2019 is € 128 million (2018: € 0.4 million).

Letters of guarantee to associates of both the Group and the Bank as at 31 December 2019 amounted to € 11 million (31 December 2018: € 7 million).

Other liabilities as at 31 December 2019 include an amount of € 5 million, which is related to lease liabilities of real estate of Group's associates, according to IFRS 16. The Group has implemented IFRS 16 prospectively based on its transitional provisions (modified retrospective approach) and therefore, the respective amount as at 31 December 2018 does not include lease liabilities of associates' real estate.

44.3 Joint ventures

The transactions with joint ventures and the relevant results are presented below:

	Group		Bank	
(amounts in thousand €)	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Loans and advances to customers at amortised cost	52,410	52,652	52,410	52,652

	Group		Bank	
(amounts in thousand €)	1/1 - 31/12/2019	1/1 - 31/12/2018	1/1 - 31/12/2019	1/1 - 31/12/2018
Total income	491	842	491	842

The ECL allowance for impairment on loans and advances to customers at amortised cost granted from the Group and the Bank to joint ventures as at 31 December 2019 amounted to € 41 million (31 December 2018: € 42 million) , while the ECL release for the year 2019 is € 0.4 million (2018: ECL charge of € 0.4 million)

45 Changes in the portfolio of consolidated companies

The analysis of changes of the consolidated companies' portfolio during the year 2019 is presented below:

a) Establishment:

On 1 February 2019, Piraeus Bank established its 50.00% company, Peirga Kythnou PC., covering its ratio by paying the amount of € 833 thousand. The company was classified in the joint ventures' portfolio of the Group.

On 2 May 2019, Piraeus Bank Bulgaria A.D, 99.98% held for sale company of Piraeus Bank, established its 100.00% company, Piraeus Nedvizhimi Imoti EOOD by paying the amount of € 511 thousand. On 21 May 2019, Bulfina E.A.D, 100.00% subsidiary company of Piraeus Bank, acquired from 99.98% held for sale company Piraeus Bank Bulgaria A.D, the 100.00% of Piraeus Nedvizhimi Imoti EOOD. As a result, the Group's percentage in the company increased to 100.00%.

On 10 September 2019, ETVA VI.PE S.A., a 65.00% subsidiary company of Piraeus Bank, established the Inofita Asopos Business Park Development Company S.A. by paying the amount of € 9 thousand for the 37,69% of its established share capital. As a result, the company has become associate company of the Group.

b) Participation in share capital increases / decreases - Changes of participation:

On 4 February 2019, Achaia Clauss Estate S.A., 75.37% subsidiary company of Piraeus Bank, proceeded with a share capital increase of € 344 thousand, which was fully covered by Piraeus Bank. As a result, the Bank's shareholding percentage in the company increased to 75.49%.

On 13 February 2019, Trieris Two Real Estate Ltd, 100.00% subsidiary company of Piraeus Bank, proceeded with a share capital increase of € 3 million, which was fully covered by Piraeus Bank, without altering its shareholding percentage in the company.

On 22 February 2019, Pleiades Estate S.A., 100.00% subsidiary company of Piraeus Bank, proceeded with a share capital increase of € 540 thousand, which was fully covered by Piraeus Bank, without altering its shareholding percentage in the company.

On 13 March 2019, Unisoft S.A., 23.07% associate company of Piraeus Bank, proceeded with a share capital increase of € 5 million, through debt capitalization, including debt of € 1 million due to Piraeus Bank. As a result, the Bank's shareholding percentage in the company increased to 26.73%.

During the first quarter of 2019, AEP Elaiona S.A. 50.00% participation of the Group, classified in the joint ventures' portfolio, proceeded with a share capital increase of € 7 million in total. As a result, Trieris Two Real Estate LTD, 100.00% subsidiary company of Piraeus Bank S.A, covered its ratio by paying in total € 3.5 million, without altering its shareholding percentage in the company.

On 24 April 2019, Piraeus Bank Bulgaria A.D, 99.98% held for sale company of Piraeus Bank, fully covered the share capital increase of € 2 million, of Gama Asset Management EOOD, its 100.00% subsidiary company, which was concluded through asset contribution, without altering the Group's shareholding percentage in the company.

On 2 May 2019, Piraeus Nedvizhimi Imoti EOOD, 100% subsidiary company of Piraeus Bank Bulgaria A.D, acquired from Piraeus Bank Bulgaria A.D, 99.98% held for sale company of Piraeus Bank, the 100.00% of Beta Asset Management EOOD, the 100.00% of Gama Asset Management EOOD, the 100.00% of Emerald Investments EOOD, the 100.00% of Asset Management Bulgaria EOOD, the 100.00% of Varna Asset Management EOOD, the 100.00% of Delta Asset Management EOOD and the 100.00% of Besticar Bulgaria EOOD. As a result the Group's percentage in all the above mentioned subsidiaries remained the same, 99.98%.

On 10 July 2019, Piraeus Clean Energy Holdings Ltd, 100.00% subsidiary company of the Group, acquired the 17% of the 83.00% subsidiary company of the Group, Zibeno Investments Ltd, for the amount of € 10 thousand. As a result, the Group's shareholding percentage in the company Zibeno Investments Ltd increased to 100.00%.

On 17 July 2019, an increase of the share capital of Linklife Food & Entertainment Hall S.A., 100.00% subsidiary company of the Group was certified. The increase amounted to € 3 million and was fully covered from its unique shareholder, PIcar S.A., without altering the Group's shareholding percentage.

On 21 June 2019, 25 September 2019 and 17 December 2019 Piraeus - TANEO Capital Fund, 50.01% associate participation of Piraeus Bank, increased its assets by a total amount of € 120 thousand. Piraeus Bank S.A. covered its ratio by paying in total € 60 thousand, without altering its shareholding percentage in the company.

On 7 August 2019, Trastor Real Estate Investment Company, 39.39% associate company of Piraeus Bank, certified the increase of its shareholding capital by € 23 million with cash payment. As a result, Piraeus Bank covered its participation by paying in total € 9 million, without altering its shareholding percentage in the company.

On 9 September 2019, Piraeus Clean Energy Holdings Ltd, 100.00% subsidiary company of Piraeus Bank, fully covered with cash payment the € 50 thousand share capital increase of Zibeno Investments Ltd, 100.00% subsidiary company of the Group, without altering the Group's shareholding percentage.

On 23 October 2019, Piraeus Bank disposed of the 80.04% of its participation in Intrum Hellas REO solutions S.A., for a consideration of € 34 million. As a result the company was transferred to the portfolio of associate companies.

On 23 October 2019, Piraeus Bank disposed of the 80.00% plus one share of its participation in Intrum Hellas Credit Servicing S.A. for a consideration of € 276 million. As a result the company was transferred to the portfolio of associate companies.

On 12 November 2019, Olganos Real Estate S.A., 32.27% associate participation of the Bank, proceeded with a share capital increase of € 400 thousand. Piraeus Bank covered its ratio by paying in total € 129 thousand, without altering its shareholding percentage in the company.

On 30 December 2019, Piraeus Development S.A., 100.00% subsidiary company of Piraeus Bank, proceeded with a share capital increase of € 40 thousand, which was fully covered by Piraeus Bank, without altering its shareholding percentage in the company.

On 30 December 2019, ND Development S.A., 100.00% subsidiary company of Piraeus Bank, proceeded with a share capital increase of € 40 thousand, which was fully covered by Piraeus Bank, without altering its shareholding percentage in the company.

On 30 December 2019, Property Horizon S.A., 100.00% subsidiary company of Piraeus Bank, proceeded with a share capital increase of € 80 thousand, which was fully covered by Piraeus Bank, without altering its shareholding percentage in the company.

On 30 December 2019, Pleiades Estate S.A., 100.00% subsidiary company of Piraeus Bank, proceeded with a share capital increase of € 130 thousand, which was fully covered by Piraeus Bank, without altering its shareholding percentage in the company.

During the year 2019, PJ Tech Catalyst Fund 30.00% associate participation of the Group, increased its assets by a total amount of € 474 thousand. As a result, Piraeus Equity Partners Ltd, 100.00% subsidiary company of Piraeus Bank S.A, covered its ratio by paying in total € 142 thousand, without altering its shareholding percentage in the company.

Net outflow from shareholding percentage increase in subsidiaries and from acquisition of subsidiaries is presented below:

Acquisition of subsidiaries excluding cash and cash equivalents acquired	1/1 - 31/12/2019	1/1 - 31/12/2018
Acquisition of subsidiaries	-	9
Less: Cash and cash equivalents acquired	-	-
	0	**9**

On 19 November 2019, Piraeus Bank acquired from its 100% subsidiary company Piraeus Leasing S.A., 7.68% of the associate company Nireus Aquaculture S.A. As a result, the Bank's percentage in the company increased to 32.23%.

c) Liquidation and disposal:

On 31 January 2019, Piraeus Green Investments S.A., 100.00% subsidiary company of Piraeus Bank was deleted from the relevant Company Registry.

On 28 February 2019, Piraeus Bank disposed of the total of its participation in its 98.83% held for sale company Tirana Bank I.B.C. S.A. for a total consideration of € 57 million.

On 18 April 2019, Piraeus Bank disposed of the total of its participation in its 26.73% associate company Unisoft S.A. for a total consideration of € 700 thousand.

On 13 June 2019, Piraeus Bank disposed of the total of its participation in its 99.98% held for sale company Piraeus Bank Bulgaria A.D., for a final consideration amounted to approximately € 77 million. As a result, Piraeus Insurance Brokerage EOOD, 99.98% subsidiary of the Group, is no longer part of the Group.

On 2 July 2019, Priam Business Consultancy SRL, 99.18% subsidiary company of the Group, was set under liquidation.

On 5 July 2019, Piraeus Real Estate Consultants SRL, 100.00% subsidiary company of the Group, was deleted from the relevant Company Registry.

On 8 October 2019, Piraeus Clean Energy GP Ltd, 100.00% subsidiary company of the Group, was set under liquidation.

On 8 October 2019, Piraeus Equity Advisors Ltd, 100.00% subsidiary company of the Group, was set under liquidation.

On 13 November 2019, Marathon 1 Greenvale Rd LLC, 99.95% subsidiary company of the Bank, was deleted from the relevant Company Registry.

On 27 November 2019, Piraeus Bank disposed of the total of its participation in its 32.92% associate company Selonda Aquaculture S.A., for a consideration of € 1.

On 27 November 2019, Piraeus Bank disposed of the total of its participation in its 32.23% associate company Nireus Aquaculture S.A., for a consideration of € 1.

On 29 November 2019, Piraeus Real Estate Bulgaria EOOD, 100.00% subsidiary company of the Group, was set under liquidation.

On 23 December 2019, Piraeus Nedvizhimi Imoti EOOD, 100.00% subsidiary company of the Group disposed of its total participation in its 100% subsidiary company Gama Asset Management EOOD, for a consideration of € 2 million.

Disposals of subsidiaries and other businesses excluding cash and cash equivalents disposed are presented below:

Disposals of subsidiaries and other businesses excluding cash and cash equivalents disposed	1/1 - 31/12/2019	1/1 - 31/12/2018
Disposal/ partial disposal of subsidiaries and other businesses	149	414
Gains / (losses) from disposals	361	(139)
Less: Fair value of retained investments in the partial disposed businesses	(77)	-
Less: Cash and cash equivalents disposed	(451)	(294)
	(18)	**(19)**

46 Independent Auditors' fees

On 28 June 2019, the Ordinary General Meeting of the Shareholders appointed Deloitte Certified Public Accountant S.A. as the principal independent public accountant for the year ended 31 December 2019. The following table presents the aggregated fees for professional statutory audit fees, tax audit fees, other audit related fees and other non-audit related fees for the years 2019 and 2018 by the Group's principal accounting firm Deloitte, which is a member firm of the Deloitte Network, other member firms of the Network and their respective affiliates (collectively, "Deloitte").

	Group		Bank	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Statutory audit fees	2	3	2	2
Other audit related fees (Including tax audit fees)	1	1	0	0
Other non-audit related fees	1	1	0	1
Total	**4**	**5**	**2**	**3**

47 Disclosures of Greek Law 4261/5.5.2014

According to article 81 of Greek Law 4261/2014, which incorporates into the Greek legislation article 89 of EU Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013, according to which, it is adopted for the first time the obligation for Piraeus Bank Group (''the Group'') to disclose information on a consolidated basis for each country in which it operates.

Disclosed information includes: name of the subsidiary, nature of business, geographical location, turnover, number of employees on a full-time equivalent basis, profit or loss before tax, tax on profit or loss and public subsidies. Turnover, profit or loss before tax, as well as tax on profit or loss are prepared on the same basis as the relevant figures reported in the financial statements for the years ended 31 December 2019 and 2018 respectively, which are prepared in accordance with the

International Financial Reporting Standards (''IFRSs'') as issued by the IASB and endorsed by the European Union.

Neither the Bank nor the Group's subsidiaries have received any public subsidies. All other information is presented in the following tables:

A) Country specific information

Country	31/12/2019			
	Total net income[3]	Profit/ (loss) before tax	Income tax benefit/ (expense)	Number of staff
Greece[1]	2,190	393	(116)	12,223
Romania	(1)	(6)	(0)	6
Bulgaria	33	1	(0)	4
Egypt	(1)	(1)	0	1
Cyprus	1	4	(0)	5
Serbia	2	(2)	(0)	5
Albania	10	7	0	2
Ukraine	10	(3)	(0)	368
Other countries[2]	1	0	-	-
Group[4]	**2,245**	**392**	**(117)**	**12,613**

Notes:

(1) The amounts reported include the operations of the Bank's branches operating in foreign countries and special purpose vehicles incorporated in the U.K and Ireland.

(2) Other countries include U.K., Luxemburg, British Virgin Islands and the U.S.A.

(3) Total net income includes net interest income, net fee and commission income, dividend income, net gain/(losses) from financial instruments measured at FVTPL, results from the disposal of participation of subsidiaries and associates, net gain/(losses) from financial instruments measured at FVTOCI and other income/ (expenses).

(4) The amounts reported include both continuing and discontinued operations.

Country	31/12/2018			
	Total net income[3]	Profit/ (loss) before tax	Income tax benefit/ (expense)	Number of staff
Greece[1]	1,900	62	99	13,198
Romania	(70)	(98)	0	10
Bulgaria	49	(126)	0	958
Egypt	(0)	(0)	(0)	1
Cyprus	0	1	(1)	5
Serbia	(44)	(45)	0	5
Albania	7	(61)	0	430
Ukraine	10	(2)	(0)	394
Other countries[2]	1	0	-	-
Group[4]	**1,853**	**(269)**	**98**	**15,000**

Notes:

(1) The amounts reported include the operations of the Bank's branches operating in foreign countries and special purpose vehicles incorporated in the U.K.

(2) Other countries include U.K., Luxemburg, British Virgin Islands and the U.S.A.

(3) Total net income includes net interest income, net fee and commission income, dividend income, net gain/(losses) from financial instruments measured at FVTPL, results from the disposal of participation of subsidiaries and associates, net gain/(losses) from financial instruments measured at FVTOCI and other income/ (expenses).

(4) The amounts reported include both continuing and discontinued operations.

B. The Group's subsidiaries based on the nature of their business and their geographical location are presented:

The Group's subsidiaries based on the nature of their business and their geographical location are presented in Note 23.

Greek Law 4261/2014, article 82, which incorporated into Greek legislation the article 90 of Directive 2013/36/EU of the European Parliament and of the Council on 26 June 2013, established the requirement to disclose the total return on assets ratio. This ratio for the Bank and the Group for the year ended 31 December 2019 amounted to 0.05% and 0.44% respectively (31 December 2018: 0.08% and 0.29% respectively).

48 Disclosures of Greek Law 4151/2013

In accordance with the provisions of Greek Law 4151/2013, every credit institution operating in Greece has the obligation to remit to the Greek State the cash balances plus interest for all dormant accounts, for which a period of 20 years has passed until the end of April of each year. The Bank at 25 April 2019 remitted to the Greek State the amount of € 698,774.45.

49 IFRS 16 "Leases" First Time Adoption Transitional Disclosures

On 1 January 2019, the Group and the Bank implemented the requirements of IFRS 16 "Leases" (IFRS 16). These transitional disclosures to the IFRS 16 provide information relevant to understanding the impact of the new accounting standard on the Group and the Bank's financial statements as at 1 January 2019.

Management commenced the IFRS 16 Program in the 2nd quarter of 2018. In the context of the implementation of this program, an appropriate Governance, Steering Committee, Project Management Office, and various project teams, were established with participants from several of the Bank's Units and its subsidiaries. The IFRS 16 Steering Committee, participated actively throughout the process, ensuring efficient, effective, accurate and timely implementation of the IFRS 16 Program.

In the context of the IFRS 16 Program, Management has developed sufficient functionality in its current IT infrastructure and processes. Furthermore, Management has refined its existing internal controls and designed and implemented new internal controls and processes where required in areas that are impacted by IFRS 16. Some of the key governance and control areas are those related to internal controls over:

a) The election of the transition approach for the IFRS 16 First Time Adoption ("FTA") between the three alternatives provided by the standard.
b) The examination of lease contracts as to whether they constitute a lease based on the provisions of IFRS 16.
c) The determination of the incremental borrowing rate ("IBR").

The Group's Executive Committee, monitored the implementation of the IFRS 16 Program and participated in the decision making process. In that respect, the Group's Executive Committee approved the IFRS 16 – Accounting Policy, "Recognition and measurement of leases according to the International Financial Reporting Standard 16" and these IFRS 16 FTA Transitional Disclosures.

The FTA impact of IFRS 16 for the Group and the Bank as of 1 January 2019 is provided in the next section.

Assumptions taken by Management for the IFRS 16 First Time Adoption impact

Management has made use of the practical expedient available on transition to IFRS 16 not to reassess whether a contract is or contains a lease. Accordingly, the definition of a lease in accordance with IAS 17 and IFRIC 4 will continue to be applied to leases entered or modified before 1 January 2019.

The Group and the Bank applied IFRS 16 initially on 1 January 2019, using the modified retrospective approach. For the purposes of applying the modified retrospective approach, Management elected to:

- measure the present value of the outstanding lease liability using its incremental borrowing rate at the date of transition and set the Right of Use asset equal to the amount of the lease liability;
- apply the practical expedient to exclude initial direct costs from the RoU asset.

The Incremental Borrowing Rate ("IBR") used as of 1 January 2019 was based on a Greek Government zero coupon curve, adjusted downward by the estimated covered bond credit spread. The proxy for the Greek specific risk-free rate was considered the Greek Government zero coupon curve derived from Bloomberg. The credit spread adjustment was estimated based on the spread that Covered Bonds of Greek Systemic Banks trade versus the Greek Government zero coupon curve. The same calculation process will be applied going forward for the revision of the initial IBR Curve on a quarterly basis.

Regarding the commencement date used for the lease contracts derived from the acquired banks, Management has elected to use the respective dates of acquisition as the commencement dates for the aforementioned leasing contracts.

Furthermore, the following have been excluded from the IFRS 16 scope for the reasons described:

- Indefinite contract duration as Management concluded that for these contracts there are no enforceable rights and obligations and therefore they do not meet the definition of a leasing contract as provided by IFRS 16;
- Leasing contracts of discontinued operations;
- Intangibles as these are covered by IAS 38 "Intangible assets"; and
- Insurance costs, value added tax (VAT) and stamp duties.

The Group and the Bank's lease portfolio

Leases in which the Group and the Bank is a lessee

The Group and the Bank's real estate leases include mainly leases of office buildings, branches apartments and vehicles. The

Group and the Bank have classified these leases as operating leases under IAS 17.

Leases of Office buildings: The Group and the Bank lease office buildings for the housing and operation of Administrative Divisions. The basic terms for a new lease (duration, etc.) are generally the same for all tenants. According to the current practice, the Bank aims to sign long term lease contracts (at least 12 years as a general rule). Under the state law which is regulating rental agreements, the minimum binding period for both parties in the agreement is set up to 3 years. Depending on the terms agreed, the rent is adjusted once a year according to the Consumer Price Index, as calculated by the Greek Statistical Authority and announced monthly, plus the agreed increase (e.g. +1, +2, etc.). As long as rents are contracted under the new Commercial Lease Act, applicable since 2014, there is no right for extension (unless specifically agreed).

Contracts with indefinite duration are not in the scope of IFRS 16, as mentioned above. Therefore, 389 contracts of unlimited lease term (out of a total 1,373 contracts of the Group), with an annual rental expense of € 6 million, have been excluded from the scope of IFRS 16 as they do not meet the definition of a leasing contract according to the IFRS 16.

Management assesses at each reporting period whether it will exercise any renewal option taking into consideration factors such as the location of the buildings, the availability of suitable alternatives, rental fees, etc.

Leases of Branches: The Group and the Bank lease properties for the operation of its branch network. The basic terms for a new lease contracts (duration, etc.) and the current practice, are substantially the same with those for lease contracts of Office buildings.

Leases of Apartments: The Group and the Bank lease apartments used to accommodate the Group and the Bank's executives who are working away of their operational region, following relative approval by the Group Human Resources Division. The lease terms as well as the remaining lease durations at the date of initial application, vary depending on the operational needs of the Bank. In some cases, the remaining lease term at the date of transitioning to IFRS 16 is less than 12 months (due to specific needs of the Bank). Such leases do not include any renewal options. Furthermore, the aforementioned leases feature fixed lease payments.

Leases of vehicles: The Group and the Bank lease vehicles that are provided as a benefit to its executives or in order to maintain a pool car fleet specific for operational needs. The average lease term is five years. It is contractually possible to extend the lease after its expiration for 12 or 24 months under the same terms.

Any changes in lease payments are due to the increase in annual premiums from the insurance company and also in the annual vehicle circulation taxes.

Leases in which the Group and the Bank is a lessor

Investment property

The Group and the Bank own various buildings that are no longer used in the business or are acquired from auctions and are held to earn rental income. The buildings leased to third parties are classified as operating leases for fixed or variable lease payments. In addition, the Group subleases investment properties to third parties.

Sale – and – leaseback

The Group's sale – and – lease back properties have been contracted within the normal course of business of the Group's leasing companies. The Bank does not have any sale and leaseback properties.

IFRS 16 First Time Adoption Impact as at 1 January 2019 on the Group and the Bank's Statement of Financial Position

Upon the adoption of IFRS 16 on 1 January 2019, the Group and the Bank recognised an additional € 117 million and € 166 millon of lease liabilities for the leasing contracts that fall within the scope of IFRS 16 respectively. The RoU asset was set equal to the lease liability amount and therefore there was no impact on Total Equity as at the transition date.

When measuring lease liabilities, Management discounted lease payments using its IBR as at 1 January 2019 as explained above. The IBR curve applied was based on the duration of each lease term.

The following table presents the reconciliation of the operating lease commitments in accordance with IAS 17, as disclosed in the Annual Financial Statements as of 31 December 2018, to the lease liabilities recognised as of 1 January 2019 based on the provisions of IFRS 16:

	Group	Bank
Operating lease commitment at 31/12/2018 as disclosed for the Group and the Bank under IAS 17	132	188
Total Operating Lease Liabilities as at 31/12/2018 under IAS 17	132	188
Less: Recognition exemption for short term leases	2	3
Adjusted Total Operating Lease Liabilities as at 31/12/2018 under IAS 17	129	185
Less: Discounting effect of operating lease liabilities using the IBR at 1/1/2019	13	19
Total Operating Lease liabilities recognised as at 1/1/2019 under IFRS 16	117	166
Finance lease liabilities recognised as at 1/1/2019	40	1
Total Lease liabilities recognised as at 1/1/2019 under IFRS 16	157	167

The Group and the Bank have not restated the comparative financial figures as it followed the modified retrospective approach of IFRS 16.

Management has estimated the average dismantling cost of the Bank's leased properties. Based on such estimation this resulted in an additional increase of "RoU Assets" by € 6 million and in an equal increase of "Dismantling cost liability" with no effect on Total Equity.

50 Events Subsequent to the End of the Reporting Period

- On 3 February 2020, Piraeus Bank announced it will frontload its inorganic NPE reduction effort and proceed with circa € 7 billion of securitisations from circa € 2 billion in the initial plan. The planned NPE securitisations include circa € 5 billion gross book value of commercial and residential mortgage loans ("Vega") and circa € 2 billion gross book value of residential mortgage loans ("Phoenix"). Both securitizations will opt-in for the Hellenic Asset Protection Scheme ("Hercules") guarantees.

- On 19 February 2020, Piraeus Bank issued a Tier II Note of nominal value of € 500 million with institutional investors bearing an annual fixed interest rate of 5.5% for the first 5 years and thereafter has a one time reset at the prevailing 5 year mid swap rate, plus 577.4 basis points. The bond has a maturity of 10 years, an embedded issuer call option after 5 years (10NC5) and is listed on the Luxembourg Stock Exchange. The final order book was in excess of € 4 billion from more than 350 investors. The issuance will increase the Bank's total capital ratio by approximately 110 bps.

- On 21 February 2020, Piraeus Bank entered into an exclusive, strategic collaboration agreement with ORIX Corporation, for the provision of financing solutions to the Greek maritime sector. The collaboration agreement is aiming to provide Piraeus Bank's shipping clients with a wider selection of financing instruments and additional financing where necessary.

- On 6 March 2020, Piraeus Bank received ECB's decision to repeal the limits on the Bank's exposure to Hellenic Republic risk, imposed in 2015.

- On 11 March 2020, Kion Mortgage Finance PLC announced the intention to redeem all Notes of each class (Class A,B,C) at their respective Principal Amounts Outstanding together with accrued interest on the Interest Payment Date falling on 15 April 2020.

- On 12 March 2020, the ECB Banking Supervision announced measures that allow Banks to operate temporarily below the level of capital defined by the Pillar 2 Guidance (P2G) and the capital conservation buffer (CCB). In addition, Banks will also be allowed to partially use capital instruments that do not qualify as Common Equity Tier 1 (CET1) capital, for example Additional Tier 1 or Tier 2 instruments, to meet the Pillar 2 Requirements (P2R).

- On 18 March and 25 March 2020, Piraeus Bank raised a total of € 2.0 billion in ECB's additional temporary LTRO auctions conducted to provide immediate liquidity support to the euro area's financial system as a mitigating measure against the effects of COVID-19.

- On 20 March 2020, the ECB Banking Supervision announced further measures to ensure that its directly supervised banks can continue to fulfil their role to fund households and corporations amid the coronavirus-related economic shock to the global economy. 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 coronavirus. 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. Third, 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. Lastly, the ECB recommended that all banks avoid procyclical assumptions in their models to determine provisions and that those banks that have not done this so far opt for the IFRS 9 transitional rules.

- On 25 March 2020 the European Banking Authority (EBA) released a statement on the application of the prudential framework regarding Default, Forbearance and IFRS 9 in light of COVID-19 measures. The EBA supports the measures taken and proposed by national governments and EU bodies to address the adverse systemic economic impact of the COVID-19 pandemic in the form of general moratorium, payment holidays stemming from public measures or industry-wide payment relief initiatives taken by credit institutions. In this regard, the EBA sees the need to clarify a number of aspects on the functioning of the prudential framework, with the aim to provide clarity to the EU banking sector on how to handle in a consistent manner, aspects related to (i) the classification of loans in default, (ii) the identification of forborne exposures and (iii) the accounting treatment. Recent facts and circumstances around COVID-19, during the first quarter of 2020, so far suggest that in 2020, global and Greek economic growth is expected to be negatively impacted by the pandemic outbreak and the resulting disruption of economic activity, which could primarily impact specific lending portfolios through higher than expected ECL allowances and potential impairment of assets. Due to the ongoing developments of COVID-19, the measurement of its financial effect on the financial position of the Group and the Bank, cannot be, currently, reasonably estimated.

Athens, 27 March 2020

CHAIRMAN OF THE BOARD OF DIRECTORS	MANAGING DIRECTOR	GROUP CHIEF FINANCIAL OFFICER	CHIEF FINANCIAL OFFICER
GEORGE P. HANDJINICOLAOU ID No X 501829	CHRISTOS I. MEGALOU ID No AE 011012	THEODOROS CH. GNARDELLIS ID No AI 662109	KONSTANTINOS S. PASCHALIS ID No AZ 630875 License No Class A 29358

PIRAEUS BANK

Information on a consolidated basis for the year 2019 according to article 6 of Law 4374/2016

I. Payments made on a consolidated basis for the year 2019 due to promotion and advertising expenses to Media Companies (according to par. 1 article 6 of Law 4374/2016)

Creditor	Amounts in thousand €
1984 PRODUCTIONS A.E.	12.00
24 MEDIA M.E.P.E.	107.23
A. MITSIKOUDIS & SIA E.E.	0.65
A. MYKONIATHS A.E.	12.00
ABP EKDOTIKH IKE	48.00
ADESMEYTH ENHMEROSH I.K.E.	9.50
ADWEB LTD ETAIREIA PERIORISMENHS EYTHYNHS	33.71
AGRO BROKERS LTD	6.00
AGROTYPOS A.E.	8.30
AHK GRIECHENLAND KOMMUNIKATIONSBRUCKE	6.62
AKOH ANONYMH DIAXEIRISTIKH ETAIRIA RADIOFONIKON PROGRAMMATON	1.12
AKTH MIAOYLH PUBLICATIONS IKE	7.40
ALEXIOU AH. VASILEIOS	0.40
ALHTHINO RADIOFONO A.E. - RADIOTHLEOPTIKES EPIXEIRHSEIS	142.90
ALPHA DORYFORIKH THLEORASH A.E.	571.60
ALPHA RADIOFONIKH A.E.	59.73
ALPHA RADIOFONIKH KRONOS A.E.	1.33
ALTER EGO MME A.E.	553.45
ANEKSARTHTA MESA MAZIKHS ENHMEROSHS A.E.	61.20
ANTENNA TV A.E.	1,131.48
ARETH - ANNA E. TZALLA & SIA E.E.	3.45
ARGYROPOYLOY POLYKSENH	0.20
ART SAVY MON/PI IKE	18.00
ATHANASIOS AL. ARAMPATZHS PANERRAIKH EBDOMAD. EFHM.	6.00
ATHANASIOY DAMIANOS	0.60
ATHANASIOY EYAGGELOS & SIA E.E.	1.89
ATHENS BOIS AN. EKD. & DIAFHM. ETAIREIA	66.00
ATHINAIKO PRAKT. EIDHS. - MAKEDON. PRAKT. EIDHS. A.E.	72.00
ATHLHTIKH EPIKOINONIA YPHR. DIAF. MELET. & MARKETING A.E.	11.00
ATTIKES EKDOSEIS ANONYMI EKDOTIKI ETAIREIA	2.80
ATTIKA POLYKATASTHMATA A.E.	80.50
AUTOFOCUS - ASTIKI MI KERDOSKOPIKI ETAIREIA	2.40
AXAIKH RADIOFONIA EKDOTIKH A.E.	12.68
B. MORPHIADIS K SIA E.E.	23.83
B. SKOYTARAS A.E.	16.50
BANKINGNEWS A.E.	73.00
BAS. H. KARYDHS & SIA O.E. - EKDOTIKH TRIPOLEOS	0.47
BASILIKH NTOYFEKSH - THL/KES YPHRESIES	0.10

Creditor	Amounts in thousand €
BASILIS ZAMPOYNIS	6.68
BAV MEDIA - XRHSTOS NIK. MPELOGIANNHS	5.40
BETTERMEDIA IKE	12.00
BOREIA ENHMEROTIKH A.E.	15.00
BOULEVARD FREE PRESS IKE	0.03
CH. SELIMA & SIA E.E.	1.00
CHOUTZOUMIS CHRISTOFOROS & SIA O.E.	0.40
CHRYSH EYKAIRIA A.E.	24.20
CRETALIVE E.P.E. DIKTYAKES PYLES	12.00
CRETAPOST.GR	5.80
CRISIS CINEMA AMKE	1.20
CRISIS MONITOR VOULGARIDOU CHRYSA	8.00
D. FYNTANIDHS & SIA E.E.	0.40
D. KONSTANTOPOYLOS & SIA E.E.	3.00
D. MPOYRAS K SIA E.E.	24.71
DAFNOPOTAMOS MON. E.P.E.	11.00
DANET E.P.E.	3.25
DELTA THLEORASH A.E.	9.79
DESMH EKDOTIKH A.E.	55.80
DHMHTRIOS G. KARATZOUNIS	1.00
DHMHTRIOS ALEKS. KOLOBOS	3.40
DHMOKRATIKOS TYPOS A.E.	15.00
DHMOSIOGR. ORGAN. KONDYLH A.E.	7.50
DHMOSIOGRAFIKOS ORGANISMOS O XRONOS MONOPROSOPH I.K.E.	8.22
DHMOTIKH EPIX/SHS ENHMEROSHS IOANNINON	1.61
DIGITAL CONTENT A.E.	0.50
DISTRATO E. SPIROU LTD	1.50
DOCUMENTO MEDIA	79.20
DOUSIS COM E.E. - DOYSHS ANASTASIOS & SIA E.E.	18.40
DPG DIGITAL MEDIA A.E.	84.82
DYO DEKA ANONYMH EKDOTIKH ETAIREIA	60.68
DIMERA EKDOTIKI ANONYMI ETAIREIA	45.50
DIOGENHS M.K.O.	2.40
DITIONE LIMITED E.E.	10.00
EFHMERIS ESTIA ANONYMH EKDOTIKH ETAIREIA	28.04
EKD. LOGOTYPOS A.E.	0.68
EKDOSEIS 1908 I.K.E.	14.00
EKDOSEIS NEO XRHMA A.E.	88.00
EKDOSEIS PROTO THEMA EKDOTIKH A.E.	533.16
EKDOSEIS REYMATA A.E.	8.00
EKDOSEIS STAMOYLI A.E.	7.00
EKSEREYNHTHS - EKSPLORER A.E.	34.90
ELENH I. DIAFONIDOY	0.40

Creditor	Amounts in thousand €
ELEYTHERIA A.E.	24.00
ELEYTHERIA A.E.	0.20
ELEYTHERIA TOY TYPOY EKDOTIKH A.E.	115.15
ELEYTHERIOS K. BAROYKSHS & YIOI O.E.	5.00
ELLHNIKO INSTITOYTO EKSYP/SHS PELATON	0.80
ENOSH APOSTRATON AKSIOMATIKON NAYTIKOY	2.00
ENTYPOEKDOTIKH A.E.B.E.T.	28.30
ENIKOS ANONYMH ETAIRIA	79.06
EPSILON PENCILTEAM COMMUNICATORS A.E.	3.06
EPIKOINONIA A.E.	0.04
EPIKOINONIA AIGAIOY A.E.	3.78
ERINYA EIDISIS M. IKE	13.50
ERMHS A.E. RADIOTHL/KH - EKDOTIKH A.E.	0.08
ESTIA EPENDYTIKH MME A.E.	184.50
ETHNIKOS KHRIX TIS NEAS YORKIS ELLAS E.P.E.	41.05
ETHOS MEDIA EKDOTIKH SYNEDRIAKH A.E.	3.00
EUROMEDIA ACTION S.A.	28.92
EIKOSI ENA MINTIA MONOPROSOPI I.K.E.	1.00
EIRHNH E. ANAGNOSTOY	4.64
FAST RIVER	16.47
FELNIKOS HLEKTRONIKON MESON ENHMEROSHS M.E.P.E.	12.00
FILODASIKI ENOSIS PLATANOU	1.00
FORTHNET MEDIA HOLDINGS A.E.	75.03
FOX INTERNATIONAL CHANNELS ELLAS S.A.	5.80
FREE SUNDAY EKDOTIKH ANONYMH ETAIREIA & SIA E.E.	36.00
FREED A.E.	17.46
FILELEYTHEROS EKDOTIKH A.E.	60.00
FINANCIAL MARKETS VOICE	4.00
GATEWORK A.E. DIADIKTYAKON EKDOSEON	0.60
GENIKES RADIOTHLEOPTIKES EPIX. A.E.	9.79
GNOMI ARTAS M. IKE	0.40
GRAFOTEXNIKH KRHTHS A.E.E.	7.20
GRAMMH E.P.E. YPAITHR. DIAFHMISEIS	3.40
GREEN AGENDA MONOPROSOPH IKE	0.80
GREEN BOX EKDOTIKH A.E.	50.66
GROWTH DIGITAL IKE	15.94
GIANNARAS K. MIKES	2.76
H KERKYRA SHMERA XONDROGIANNH XRYSOYLA XRISTINA	0.40
HAPPY PUBLICATIONS - IOANNHS ZOYNALHS MIKE	6.67
HAZLIS AND RIVAS COMMUNICATIONS LTD	5.00
HELLASPRODUCTS E.P.E.	12.12
HQ PREMIUM IKE	9.25
HT PRESS ONLINE MONOPROSOPH IKE	12.00

Creditor	Amounts in thousand €
HTTPOOL HELLAS M. IKE	36.84
HXOS KAI RYTHMOS A.E.	4.00
I FONI TIS MANIS	1.40
I THESPROTIKI - ALEX. S. THEMELIS	2.50
I. & E. KOYTSOLIONTOY O.E.	9.00
I. DIONATOS & SIA E.E.	6.03
I. KOROMHLHS A.E.	0.75
I.N. LEOUSIS	1.20
IATRONET DIADIKTYAKES EFARMOGES E.P.E.	6.00
ICAP A.E.	2.24
IDIKOS LOGARIASMOS KONDYLION EREYNAS TOU ETHNIKOU ASTEROSKOPIOU	12.00
IKAROS RADIOTHLEOPTIKES EPIX/SEIS A.E.	26.41
IKONTAKT E.P.E.	0.50
INFOMARKET IKE	78.00
INTELLIGENT MEDIA E.P.E.	15.23
INTERBUS A.E.	564.13
IOANNINA TV A.E.	2.70
IONIAN RADIOTHLEOPTIKES EPIXEIRISEIS A.E.	13.48
J.O. INFOCENT EPIKOINONIES MON. E.P.E.	9.00
K S D BUSINESS SOLUTIONS	0.50
K. TSIGKA (ALPHA MEDIA GROUP)	13.80
KALAITZAKHS EKDOTIKES EPIXEIRHSEIS A.E.	3.43
KANTIA PLIROFORO MON/PI IKE	4.07
KAPSALHS GEORGIOS	6.00
KAPITAL GR A.E.	150.40
KARAGIANNOPOULOS KON/NOS	1.10
KARMES MONOPROSOPI IKE	4.00
KARTA A.E.	8.00
KASMIRLHS DHMHTRIOS	0.60
KATHIMERINES EKDOSEIS ANONYMH ETAIREIA	595.27
KATHIMERINI S.A.	20.00
KATSATOY PHNELOPH KAI SIA E.E.	20.00
KAINOTOMIA & ANAPTYKSH IKE	19.50
KONTRA IKE	79.95
KOYTSHS I. DHMHTRHS	0.40
KOINONIA TON (DE)KATON	3.00
KYKLOS A.E.	20.00
LAMIAKOS TYPOS A.E.	0.40
LEOTSAKOS - MPOYSMPOYRELIS O.E.	5.00
LEPANTO - R.TV	12.50
LOCAL NEWS DHMHTRIOS K. TOLHS MONOPROSOPH IKE	5.40
LUFT STAHL M.E.P.E.	6.00
LYKAVITTOS EKDOSEIS MONOPROSOPI IKE	2.00

Creditor	Amounts in thousand €
LIQUID MEDIA ETAIREIA PARAGOGHS ANTIPROSOPEION & EMPORIKHS EKMETALLEYSHS PSHFIAKON MME PERIEXOMENOY	75.90
M. XALKOY EKDOSEIS PSHFIAKA M.M.E.	1.50
MAKAS A. KONSTANTINOS	4.70
MAKEDONIA TV S.A.	1.41
MALAPETSAS I. KOSTAS	2.00
MANESIOTHS NIK. PSOMIADHS KON. O.E.	9.00
MARAGKELLIS NIKOLAOS	1.10
MARATHON PRESS IKE	0.50
MARKETING AND MEDIA SERVICES MONOPROSOPH	8.00
MARIA VASILAKH EKDOTIKES EPIXEIRHSEIS	28.00
MARINA G. TOYLA & SIA O.E.	3.65
MASTER MINDS PRIVATE COMPANY	6.00
MEDIA LINE IKE	1.13
MEDIA & ART - IOANNHS KYRIAKOPOYLOS & SIA E.E.	2.50
MEDIA2DAY EKDOTIKH A.E.	154.00
MEMMOY K. & SIA O.E.	4.00
METRON ARISTON	13.09
METRONTHL MON IKE	22.70
MINDTHEGAP MEDIA COMMUNICATIONS MON. IKE	9.00
MONOCLE MEDIA LAB - MONONEWS MIKE	69.82
MORAX MEDIA S.A.	1.60
MPALH BAS. SOFIA	6.00
MPEXLIBANOS I. XRHSTOS	10.00
MPOGDANOS KONSTANTINOS & SIA E.E.	6.00
MPOYSIAS EPIKOINONIES E.P.E.	4.73
MPOYTHAS KONSTANTINOS TOY PETROY - IMERISIA	0.27
N.S.P. RADIO RADIOPHONIKI A.E. EKMETALL. RADIOPH. STATHMOS	2.00
NEA PASEGES - SOMATEIO	3.20
NEA THLEORASH A.E.	455.72
NEO RADIOFONO TON DHMOSIOGRAFON E.P.E.	49.00
NEW COMMUNICATION	3.50
NEW MEDIA NETWORK SYNAPSIS S.A.	108.00
NEW POST PRIVATE COMPANY - DIADIKTYAKES YPHRESIES	37.50
NEW TIMES PUBLISHING I.K.E.	1.00
NEWSIT E.P.E.	74.00
NK MEDIA GROUP E.P.E.	34.50
NOISIS IKE	2.50
NTOKOY KON. GEORGIA/EFHMER. EPATHLO	1.00
NIKOLAOS XR. ZARMPALAS	0.53
O. MIND CREATIVES - DIMITRIADIS TH. & CO	1.81
OKTAS MEDIA IKE	8.00
OLYMPIAKH RADIOFONIA THLEORASHS A.E.	4.99
OLIVE MEDIA A.E.	18.20

Creditor	Amounts in thousand €
OPINION POST ILEKTRONIKES EKDOSEIS A.E.	4.67
OPSIS POLITISMOU IKE	0.75
OPTIMA '92 E.P.E.	0.30
OTE S.A.	94.45
P. ATHANASIADHS & SIA A.E.	62.95
P.D. EKDOSEIS E.P.E. - DEAL NEWS	32.40
PAGKRHTIA RADIOTHLEORASH A.E.	11.00
PANHPEIROTIKH THLEORASH TV A.E.	3.00
PAPADAKHS G. MIXALHS	4.00
PAPALIOS KONSTANTINOS K SIA E.E.	27.80
PAPANIKOLAOY PHROSO	4.21
PAPASTAMOULOS D. GEORGIOS	2.00
PARA ENA YPHRESIES DIADIKTYOY DIAFHMISH E.P.E.	78.75
PARAPOLITIKA EKDOSEIS A.E.	27.00
PATSIKAS EKDOTIKH VEROIAS E.E.	0.20
PELOPONNHSOS PATRON EKDOSEIS A.E.	9.00
PENSIL CASE I.K.E.	0.80
PERFECT MEDIA ADVERTISING MIKE	50.00
PHAISTOS A.E.	6.48
POLITIS O.E.	0.71
PREMIUM A.E. EPIKOIN. PAROXHS YP. & EREYNON	43.00
PROPERTY MARKETING SERVICES	7.60
PROTAGKON A.E. PAROXHS YPHR. DIADIKTYOY & ENTYPON	42.30
PRIME APPLICATIONS A.E.	86.36
PRISMANET A.E.	5.50
RADIO PLAN BEE	24.40
RADIOTHLEOPTIKES EPIXEIRHSEIS HPEIROS A.E.	8.50
RADIO THESSALONIKH A.E.	12.38
RADIOFONIKES PARAGOGES A.E./OASIS 88 FM	22.84
RADIOFONIKH EPIKOINONIA A.E.	12.00
RADIOTHLEOPTIKA HLEKTRONIKA EKDOTIKA MESA ELLADOS A.E. TO PARON THS KYRIAKHS	25.50
RADIOTHLEOPTIKES EPIX/SEIS EASY FM A.E.	60.75
RADIOTHLEOPTIKES EPIX/SEIS MAGNHSIAS - ASTRA A.E.	5.47
RADIOTHLEOPTIKH & DIAFHMISTIKH ETAIREIA A.E.	0.81
RADIOTHLEOPTIKH S.A.	77.00
REA GYNAIKOLOGIKI MAIEYT. CHEIROYRG. THERAP. DIAGN. KLINIKH A.E.	3.50
REAL MEDIA MESA MAZIKHS ENHMEROSHS A.E.	106.99
REPORT PRIVATE COMPANY	6.50
ROYXOTAS DIMITRIS & SIA O.E.	1.52
S. APOSTOLIDHS KAI SIA E.E.	3.53
S. BAGOYRDHS A.B.E.E.	0.80
S. TSOMOKOS PUBLIC RELATIONS S.A.	1.50
SABBOPOYLOS ALEKSANDROS	0.10

Creditor	Amounts in thousand €
SABD EKDOTIKH A.E.	80.02
SATKO MEDIA TV D. TRAMPAS	20.50
SBD IKE	2.00
SERRAIKES EKDOSEIS E.P.E.	0.85
SETTINI MEDIA IKE EKDOSEIS ENTYPON DIAFHMHSH	8.40
SIMITSI THEODORA MONOPROSOPI IKE	2.00
SIMOPOULOS N. MILTIADIS	0.15
SKAI EIDHSEIS NTOT KOM	572.95
SMILE TV THLEOPTIKES YPHRESIES A.E.	1.18
SOLAR MEDIA A.E.	4.88
SOTIRIOS P. POLYZOS	2.00
SPORT TV RADIOTHLEOPTIKH PROBOLH A.E.	8.99
SPORTNEWS YPHRESIES DIADIKTYOY A.E.	2.25
SPOT O.E. - APOSTOLOS ELLHNAS	2.00
SPYROS KAMPIOTHS & SIA O.E.	0.60
STAR A.E. RADIOTHLEOPTIKOS ORGAN. KENTRIKHS ELLADOS	3.64
STARTCOM E.P.E.	4.00
STAYROS PAPAGIANNAKIS	0.80
STOIKOS ST. & SIA O.E.	0.34
STIGMA RADIOFONIKES EPIX/SEIS A.E.	2.16
SXHMA KOIN. S. EP.	2.50
SYGXRONH EPOXH EKDOTIKH A.E.B.E.	5.50
SYNEIDHSH A.E.	5.90
SYRGKANH LAM. PARASKEYH	6.30
SIMOYSI E.E.	11.10
SITI KONTAKT E.P.E.	0.50
TAOYKTSIS PHOTIOS & SIA E.E.	3.50
TEDXATHENS EVENT COMPANY	25.00
TEKMHRIOSH M.E.P.E.	7.10
TELIA COMMUNICATION A.E.	16.00
TERZENIDHS AL. KON/NOS	0.40
TH. TSIROGKAS & SIA E.E.	4.80
THARROS EKDOTIKH E.P.E.	0.20
THE TOC DIGITAL MEDIA YPHR. ENHM. A.E.	36.00
THEMA RADIO A.E.	12.00
THESSALIKH RADIOFONIA THLEORASH A.E.	10.00
THINK DIGITAL INTERNET & DIAFHMISH MONOPROSOPH E.P.E.	35.48
THLEKINHSH ANONYMOS RADIOT/KH KIN/KH DIAF.	1.50
THLEOPTIKH RETHYMNOY A.E.	23.40
THRAKH NET	0.50
TO KOUTI THS PANDORAS MEDIA E.E.	27.60
TO MANIFESTO IKE	20.00
TOPIKES EPHIMERIDES I.K.E.	0.16

Creditor	Amounts in thousand €
TOUPOGIANNH ELENH & SIA E.E.	1.00
TOURISM TODAY M.E.P.E.	2.30
TRAPEZIKOS AGON - I. TOMELITOY - KASTORINH	1.00
TRIBUNE I.K.E.	6.00
TSAKNAKIS K. EYTHYMIOS	0.27
TSITAS X. PRODROMOS	1.00
TZEKA - PAPAGEORGIOY FOTEINH	0.68
TZEKAS P. CHARALAMPOS	10.10
USAY M.E.P.E.	8.00
VAGMA MEDIA DEVELOPMENT	0.80
VASILATOS CHRISTOFOROS	2.75
VERGINA A.E.	12.15
WAVE MEDIA OPERATIONS E.P.E.	8.78
XANIOTIKA NEA A.E.	6.00
XIOTH A. XRISTINA - ANNA "LAKONIKOS TYPOS"	0.20
YPAITHROS XORA A.E.	68.87
YIOI S. TSOPANAKH - H. KOTIADHS O.E.	0.40
ZOH LEYKOFRYDOY IKE	5.45
ZOUGRIS DIMITRIOS & SIA E.E.	0.50
ZOYGLA G.R. A.E.	92.00
Total	**10,529.88**

II. Payments made on a consolidated basis for the year 2019 due to Grants, Donations and Sponsorships (according to par. 2 article 6 of Law 4374/2016)

Creditor or Beneficiary	Amounts in thousand €
"APOSTOLI" NGO	7.09
ACTION AID HELLAS	0.40
AGGELA GEORGANTA - RESTORATION AND IMPROVEMENT OF THE TRADITIONAL WATERMILL	2.50
AIDA DIKTYO EPIXEIREIN KOINSEP	3.00
AMERICAN - HELLENIC CHAMBER OF COMMERCE	38.00
ANESER A.E.	4.03
ANTIMETOPISI PAIDIKOY TRAYMATOS	0.80
ATHINAIKI LESXI	5.00
B.P. IKE	2.00
BASKETBALL CLUB "THE BEARS"	1.02
BULGARIAN VOLLEYBALL FEDERATION	8.30
BUSINESS - FORUM LTD	2.23
BIOTEXNIKO EPIMELITIRIO THESSALONIKIS	2.00
CAPITAL LINK FORUM INC	35.00
CHARITY FUND "BLAGOMAY"	0.48
CHARITY FUND "DREAM TO LIVE"	0.42
CHARITY FUND CHESTNUT RUN KIEV UKRAINE	0.32
CHARITY ORGANIZATION "CHARITY FUND COMMUNITY UNION"	0.48
CHARITY ORGANIZATION "TERRITORY OF SOCIAL EQUALITY"	0.24
CHRISTOS METAXAS - RESTORATION AND IMPROVEMENT OF THE TRADITIONAL WATERMILL	2.20
COEURS POUR TOUS HELLAS	1.00
DESMOS MH KERDOSKOPIKO SOMATEIO	5.00
DHMOS PYLAIAS - XORTIATH	3.00
DHMOS THERMOY	2.00
DHMOS IERAS POLHS MESOLOGGIOY	0.50
DIETHNIS ENOSIS GYNAIKON EN ATHINAIS	1.50
DIKHGORIKOS SYLLOGOS ATHINON	150.00
DIKHGORIKOS SYLLOGOS SERRON	5.00
DIMOS ELLHNIKOY - ARGYROYPOLHS	6.00
DIMOS IOANNITON	0.81
DIMOS KILKIS	5.00
DIMOS LAGADA	3.00
DIMOS THERMOY KENTRO POLITISMOY ATHLITISMOY	1.00
DIMOS THESSALONIKIS	50.00
DIMOS VISALTIAS	1.00
DIOGENIS MKO	0.57
DIKIGORIKOS SYLLOGOS THESSALONIKIS	50.00
EBF EUROPEAN BANKING FEDERATION	3.00
EIDIKOS LOGARIASMOS EREYNAS ETHN. ASTEROSKOPIOY	1.00

Creditor or Beneficiary	Amounts in thousand €
EIDIKOS LOGARIASMOS EREYNAS PANEPISTIMIOU KRITIS	1.00
EKALH TOYRISTIKES & XENODOXEIAKES EPIXEIRHSEIS A.E.	3.00
ELETAEN AMKE	1.61
ELLA DIKA MAS ASTIKH MH KERD.	5.00
ELLHNOGERMANIKO EMPOR. & VIOMHX. EPIMELHTHRIO	8.06
ELLINIKES RIZES	2.00
ELLINIKOS SYLLOGOS APOFOITON EYROP. INSTITOYTOY	1.50
ELLINIKI ETAIREIA PROSTASIAS & APOKATASTASEON ANAPIRON PAIDON (ELEPAP)	5.50
ENA INSTITOYTO ENALLAKTIKON POLITIKON	1.00
ENOSI INOPARAGOGON TOU AMP	5.00
ENOSI PODOSFAIRIKON SOMATEION AN. ATTIKIS	1.00
EPIMELHTHRIO - 6o PERIF. TM. HPEIROY - EDRA IOANNINA	3.00
EREYN. PANEPIST. INSTITOYTO DIETHNON SXESEON PANTEIOY	2.00
ETAIRIA SPOYDON NEOEL. POL. & GEN PAID.	5.00
ETAIREIA AKSIOP. & DIAX. PERIOYS. PANEPIST. MAKEDONIAS	3.81
ETAIREIA AKSIOP. & DIAX/SEOS PERIOYSIAS TOY APTH S.A.	20.81
ETHNIKI LYRIKH SKINI	90.00
ETHNIKO KENTRO EREYNAS PHYSIKON EPISTHMON DHMOKRITOS	5.00
EUROPEAN BANK FOR RECONSTRUCTION & DEVELOPMENT	7.50
EXCESS	0.30
EID. LOGAR. KONDYLION EREYNAS PANEPIST. IOANNINON	1.00
EIDIKOS LOG/MOS OIKONOMIKOY PANEPISTHMIOY ATHHNON	2.42
FARMAKEYTIKOS SYLLOGOS THES/NIKHS	5.00
FEDERATION OF INDUSTRIES OF PELOPONNESE AND WESTERN GREECE	0.50
FILANTHROPIKO SOMATEIO KOIN. MERIMNA MOSXATOY	0.15
FILARAKIA ELLADOS BEST BUDDIES	1.00
GENIKO NOSOKOMEIO THES/NIKHS	0.50
GENIKO PERIPHEREIAKO NOSOKOMEIO PAPAGEORGIOY	4.00
GLOBAL SUSTAIN GMBH	2.00
GREEK ORTHODOX ARCHDIOCESE OF THYATEIRA AND GREAT BRITAIN	0.29
HABA	8.89
HELLENIC EXCHANGES - ATHENS STOCK EXCHANGE S.A.	33.00
IDRYMA TECHNOLOGIAS & EREVNAS	0.81
IERA MITROPOLIS KYTHIRON & ANTIKYTHIRON	10.00
IERA MITROPOLIS MONEMVASIAS & SPARTHS	5.00
INDUSTRY DISRUPTORS GAME CHANGERS	25.16
INTERNATIONAL CHARITABLE FOUNDATION "UKRAINE! I AM FOR YOU!"	0.17
INTERNATIONAL CHARITABLE FUND YOUR KINDNESS (ICF YOUR KINDNESS)	0.38
KANE MIA EYXH ELLADOS MAKE A WISH	1.96
KATHIMERINES EKDOSEIS ANONYMH ETAIREIA	20.00
KIVOTOS TOY KOSMOS	0.60
KOZLODUY MUNICIPALITY	0.51
KOIN. DHM. EPIXEIRHSH DHMOY AMPELOKHPON - MENEMENHS	4.00

Creditor or Beneficiary	Amounts in thousand €
KOINOPHELIS EPIXEIRISI DIMOY AGRINIOY KEDA	1.00
LESXH EPIXEIRHMATIKOTHTAS	8.06
LLC "INTERNATIONAL LEGAL SERVICE INTERLEGAL"	3.13
MAZI GIA TO PAIDI SOMATEIO ENOSH	3.50
MEDECINS SANS FRONTIERES	0.40
METOXIKO TAMEIO STRATOY	49.05
MIKROS PRIGKIPAS MKO	2.00
OIKONOMIKO PANEPISTIMIO	3.00
OIKONOMIKO SYNEDRIO DELFON	40.00
OMOSPONDIA SYLLOGON NAYPAKTIAS	3.00
PANELLINIA OMOSPONDIA GEOTEXNIKON DHMOSION YPALLHLON (POGEDY)	2.50
PANELLINIA ENOSI NEON AGROTON	1.00
PANEPISTIMIO PATRON - EIDIKOS LOG/MOS KONDYLION	7.00
PANHELLENIC SOCIETY OF BLIND PEOPLE	0.40
PAPACHARAMPEIOS DHM. KENTR. BIBLIOTHHKH NAYPAKTOU	1.00
PAPALIOS KONSTANTINOS & SIA E.E.	13.00
PASCHALIS PLIATSOS - RESTORATION AND IMPROVEMENT OF THE TRADITIONAL WATERMILL	1.25
PAIDIKA XORIA SOS ELLADOS	30.30
PERIFEREIA DYTIKHS MAKEDONIAS	7.00
POLITISTIKO IDRYMA OMILOY PEIRAIOS (P.I.O.P)	2,552.47
PONTIC SOCIETY OF DIAVATA "ALEXANDROS YPSILANTIS" (22ND YOUTH - BAND FESTIVAL SPONSORSHIP)	5.00
PRIME FINANCE DISPUTE RESOLUTION & EDUCATION	0.88
SOCIETY OF INVALIDS "FORTRESS"	0.42
SOMATEIO ERGAZOMENON ATTIKIS	0.50
SOMATEIO ERGAZOMENON G.N. THESSALONIKIS "O AGIOS DIMITRIOS"	2.00
SOMATEIO ERGAZOMENON GNA "G. GENNIMATAS"	3.00
SOMATEIO ERGAZOMENON NOSOKOMEIOY N.I.M.T.S	2.50
SPORT CLUB FOR FIRE - FIGHTING SPORTS	0.26
STOIOS CHRISTOPOULOS - RESTORATION AND IMPROVEMENT OF THE TRADITIONAL WATERMILL	2.50
SYL. DIOIK. YPALL. DHMOKRITEIOY PANEP. THRAKHS BIZYHNO	1.00
SYLL. PHILON PAIDION ME KARKINO I ELPIDA	1.60
SYLLOGOS EPIXEIRIMATION THNOY	0.50
SYLLOGOS YPALLILON PERIPHEREIAKIS ENOTITAS ARTAS	4.00
SYNEIDHSH A.E.	1.61
THE HELLENIC INITIATIVE	3.47
TO XAMOGELO TOY PAIDIOY	1.95
TSOMOKOS DHMOSIES SXESEIS A.E.	12.00
UNICEF	9.28
VERTICAL SOLUTIONS A.E.	10.00
WINES FESTIVAL - POGRADECI MUNICIPALITY	1.60
YPOYRGEIO ETHNIKHS AMYNHS (YPETHA)	40.00
Total payments to entities other than individuals	**3,537.45**

Total payments to individuals (183 Beneficiaries)	**16.21**