

TRUE TRANSLATION FROM THE ORIGINAL IN GREEK

Independent Auditors' Report

To the Shareholders of the BANK OF GREECE

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Bank of Greece (the Bank), which comprise the balance sheet as at 31 December 2019, the profit and loss account and the statement of profit distribution for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as at 31 December 2019 and its financial performance for the year then ended in accordance with the accounting principles prescribed by the European Central Bank (ECB), under the "Guideline (EU) 2016/2249 of 3.11.2016 (ECB/2016/34)" as amended and currently in force, as adopted by the Bank in Article 54A of its Statute, and for any issues that are not covered by the aforementioned ECB rules and guidelines, in accordance with Law 4548/2018 "Sociétés anonymes Law reform" and Law 4308/2014 "Greek Accounting Standards", where these have been implemented by the Bank.

Basis for Opinion

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

Key Audit Matters

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

Key audit matters

How our audit addressed the key audit matters

Provision against credit risk

The provision against financial risks amounted to € 4,539 million as at 31 December 2019, compared to € 5,307 million as at 31 December 2018. This provision also includes the provision against credit risk.

The estimation and the measurement of the provision against credit risk is performed by Management, with the use of a model, is subjective and involves a high degree of judgement to be applied by Management and therefore, we considered that it is a key audit matter.

Management has provided information on the provision against financial risks on Note 12 "Provisions", paragraph "c. Provision against Financial and Operational Risks" of the financial statements.

On the basis of the audit risk assessment, and following a risk-based approach, we assessed the adequacy of the provision against credit risk measured by Management.

Our audit procedures include, among others, the following:

- Assessment of the design of the of the internal controls related to the provision against credit risk measured by Management, including the internal controls relevant to the appropriateness of the method and the model as well as Management's judgement for the estimation of this provision.
- With the support of our experts (risk specialists), assessment of the appropriateness of the methodology and the model used by Management to measure the credit risk, as well as assessment of Management's judgement.
- Testing the completeness and appropriateness of the underlying data used to measure the credit risk and, on a sample basis, testing the accuracy of this data.
- Assessment of the accuracy of the disclosures related to this key audit matter.

Key audit matters

How our audit addressed the key audit matters

Provision for defined benefit obligations to insured persons

The provision for defined benefit obligations to insured persons amounted to € 2,735.2 million as at 31 December 2019, compared to € 2,168.8 million as at 31 December 2018.

The estimation of the provision for defined benefit obligations to insured persons is performed with the use of an actuarial model and involves the exercise of Management's judgment on the determination of the significant actuarial assumptions. The estimation of these assumptions involves a significant degree of subjectivity. Due to the subjectivity and the high degree of judgment to be applied by Management, we considered that it is a key audit matter.

Management has provided further information on Note 12 "Provisions", paragraph "b. Provision for defined benefit obligations to insured persons" of the financial statements.

On the basis of the audit risk assessment, and following a risk-based approach, we evaluated the methodology and assumptions used by Management with regard to the provision for defined benefit obligations to insured persons. Our audit procedures include, among others, the following:

- Assessment of the design of the internal controls related to the completeness and accuracy of the data, the methodology and the assumptions used by Management to estimate the provisions for defined benefit obligations to insured persons.
- Assessment, with the support of our specialists (actuarial specialists), of the appropriateness and the reasonableness of the significant actuarial assumptions used in the actuarial report for estimating provisions for defined benefit obligations to insured persons.
- Testing of the completeness of the data used by the external actuary and on a sample basis testing its accuracy.
- Assessment of the accuracy of the disclosures related to this key audit matter.

Other information

Management is responsible for the other information. The other information is included in the General Council's Report, referred to in the "Report on Other Legal and Regulatory Requirements" and in the Report on the Greek Economy (Part A of the Governor's Report for the financial year 2019), but does not include the financial statements and our auditor's report thereon. The Governor's Report is expected to be made available to us after the date of this auditors' report.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, upon our reading of the Governor's Report, based on the work we have performed, we conclude that there is a material misstatement in this other information, we are required to communicate that fact to those charged with governance of the Bank.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting principles prescribed by the European Central Bank (ECB), under the "Guideline (EU) 2016/2249 of 3.11.2016 (ECB/2016/34)" as amended and currently in force, as adopted by the Bank in Article 54A of its Statute, and for any issues that are not covered by the aforementioned ECB rules and guidelines, in accordance with Law 4548/2018 "Sociétés anonymes Law reform" and Law 4308/2014 "Greek Accounting Standards", where these have been implemented by the Bank, and for such internal controls as Management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs, as these 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 aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

Auditor's responsibilities for the audit of the financial statements - Continued

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

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

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 communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those of most significance in the audit of the financial statements for the current period and are, therefore, the key audit matters.

Report on Other Legal and Regulatory Requirements

1. General Council's Report

Taking into consideration that Management is responsible for the preparation of the General Council's Report for the financial year 2019, 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 General Council's Report includes the Corporate Governance Statement, which provides the information required by article 152 of Law 4548/2018.
- b) In our opinion, the General Council's Report for the financial year 2019 has been prepared in accordance with the Bank's Statute and the applicable legal requirements of articles 150-151 and paragraph 1 (subparagraphs c' and d') of article 152 of Law 4548/2018 and its content is consistent with the accompanying financial statements for the year ended 31 December 2019.
- c) Based on the knowledge we obtained during our audit of the Bank of Greece and its environment, we have not identified any material inconsistencies in the General Council's Report.

2. Additional Report to the Audit Committee

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

3. Non-audit Services

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

The allowable non-audit services provided to the Bank, during the year ended 31 December 2019 are disclosed in Note "VI. Additional Information" of the accompanying financial statements.

4. Appointment

We were appointed statutory auditors for the first time by the General Assembly of the Bank of Greece on 24 February 2017. Our appointment has been, since then, uninterruptedly renewed for two consecutive years based on the decisions reached by shareholder's Annual General Assembly.

17 February 2020

The Certified Public Accountant

The Certified Public Accountant

Despina Xenaki

Reg. No. SOEL: 14161

Deloitte Certified Public Accountants S.A.

3a Fragkoklissias & Granikou str.

151 25 Maroussi

Reg. No. SOEL: E 120

Michalis Karavas

Reg. No. SOEL: 13371

Deloitte Certified Public Accountants S.A.

3a Fragkoklissias & Granikou str.

151 25 Maroussi

Reg. No. SOEL: E 120