NATIONAL BANK
OF GREECE

NBG Group

Interim Financial Statements

for the period ended 30 September 2019

November 2019

Table of Contents

Statement of Financial Position
as at 30 September 2019

		Group	
€ million	Note	30.09.2019	31.12.2018
ASSETS			
Cash and balances with central banks		2,958	5,138
Due from banks		3,295	2,587
Financial assets at fair value through profit or loss	8	449	4,519
Derivative financial instruments		5,768	3,791
Loans and advances to customers	9	29,067	30,134
Investment securities	8	8,544	4,440
Investment property	10	148	1,016
Equity method investments		8	8
Goodwill, software and other intangible assets		176	150
Property and equipment	10	1,756	1,046
Deferred tax assets		4,909	4,909
Current income tax advance		383	359
Other assets		1,921	1,777
Non-current assets held for sale	11	6,446	5,221
Total assets		**65,828**	**65,095**
LIABILITIES			
Due to banks	12	4,832	7,667
Derivative financial instruments		3,431	2,131
Due to customers	13	42,809	43,027
Debt securities in issue	14	1,360	1,146
Other borrowed funds	14	6	268
Deferred tax liabilities		11	14
Retirement benefit obligations		232	239
Current income tax liabilities		1	9
Other liabilities	15	2,839	864
Liabilities associated with non-current assets held for sale	11	4,408	4,092
Total liabilities		**59,929**	**59,457**
SHAREHOLDERS' EQUITY			
Share capital	17	2,744	2,744
Share premium account	17	13,866	13,866
Reserves and retained earnings		(10,897)	(11,570)
Amounts recognised directly in equity relating to non-current assets held for sale		166	(78)
Equity attributable to NBG shareholders		**5,879**	**4,962**
Non-controlling interests		20	676
Total equity		**5,899**	**5,638**
Total equity and liabilities		**65,828**	**65,095**

Athens, 21 November 2019

THE CHAIRMAN OF THE BOARD OF DIRECTORS	THE CHIEF EXECUTIVE OFFICER	THE CHIEF FINANCIAL OFFICER
COSTAS P. MICHAELIDES	PAVLOS K. MYLONAS	CHRISTOS D. CHRISTODOULOU

Income Statement
for the period ended 30 September 2019

€ million	Note	Group 9-month period ended 30.09.2019	30.09.2018
Continuing Operations			
Interest and similar income		1,079	1,003
Interest expense and similar charges		(181)	(163)
Net interest income		**898**	**840**
Fee and commission income		257	242
Fee and commission expense		(73)	(67)
Net fee and commission income		**184**	**175**
Net trading income / (loss) and results from investment securities		177	35
Gains / (losses) arising from the derecognition of financial assets measured at amortised cost		100	8
Net other income / (expense)		(19)	(68)
Total income		**1,340**	**990**
Personnel expenses		(387)	(422)
General, administrative and other operating expenses		(147)	(187)
Depreciation and amortisation on investment property, property & equipment and software & other intangible assets		(87)	(55)
Credit provisions and other impairment charges	4	(320)	(247)
Restructuring costs	5	(110)	(40)
Profit before tax		**289**	**39**
Tax benefit / (expense)	6	(11)	(19)
Profit for the period from continuing operations		**278**	**20**
Discontinued Operations			
Profit for the period from discontinued operations	11	**119**	**43**
Profit for the period		**397**	**63**
Attributable to:			
Non-controlling interests		18	27
NBG equity shareholders		**379**	**36**
Earnings / (losses) per share (Euro) - Basic and diluted from continuing operations	7	**€0.30**	**€0.02**
Earnings / (losses) per share (Euro) - Basic and diluted from continuing and discontinued operations	7	**€0.41**	**€0.04**

Athens, 21 November 2019

THE CHAIRMAN OF THE BOARD OF DIRECTORS	THE CHIEF EXECUTIVE OFFICER	THE CHIEF FINANCIAL OFFICER
COSTAS P. MICHAELIDES	PAVLOS K. MYLONAS	CHRISTOS D. CHRISTODOULOU

The notes on pages 10 to 38 form an integral part of these interim financial statements

Statement of Comprehensive Income
for the period ended 30 September 2019

€ million	Note	Group 9-month period ended 30.09.2019	Group 9-month period ended 30.09.2018
Profit for the period		**397**	**63**
Other comprehensive income / (expense):			
Items that may be reclassified subsequently to profit or loss:			
Investments in debt instruments measured at fair value through other comprehensive income ("FVTOCI"), net of tax		557	(124)
Currency translation differences, net of tax		1	(11)
Cash flow hedge, net of tax		(42)	-
Total of items that may be reclassified subsequently to profit or loss		**516**	**(135)**
Items that will not be reclassified subsequently to profit or loss:			
Investments in equity instruments measured at FVTOCI, net of tax		13	(5)
Other comprehensive income / (expense) for the period, net of tax	18	**529**	**(140)**
Total comprehensive income / (expense) for the period		**926**	**(77)**
Attributable to:			
Non-controlling interests		18	27
NBG equity shareholders		**908**	**(104)**

Athens, 21 November 2019

THE CHAIRMAN OF THE BOARD OF DIRECTORS	THE CHIEF EXECUTIVE OFFICER	THE CHIEF FINANCIAL OFFICER
COSTAS P. MICHAELIDES	PAVLOS K. MYLONAS	CHRISTOS D. CHRISTODOULOU

The notes on pages 10 to 38 form an integral part of these interim financial statements

Income Statement
for the period ended 30 September 2019

€ million	Group 3 month period ended 30.09.2019	 30.09.2018
Continuing Operations		
Interest and similar income	365	329
Interest expense and similar charges	(65)	(55)
Net interest income	**300**	**274**
Fee and commission income	93	84
Fee and commission expense	(29)	(26)
Net fee and commission income	**64**	**58**
Net trading income / (loss) and results from investment securities	42	8
Gains / (losses) arising from the derecognition of financial assets measured at amortised cost	87	8
Net other income / (expense)	(22)	(22)
Total income	**471**	**326**
Personnel expenses	(125)	(142)
General, administrative and other operating expenses	(50)	(66)
Depreciation and amortisation on investment property, property & equipment and software & other intangible assets	(38)	(19)
Credit provisions and other impairment charges	(120)	(79)
Restructuring costs	(5)	-
Profit before tax	**133**	**20**
Tax benefit / (expense)	(3)	(7)
Profit for the period from continuing operations	**130**	**13**
Discontinued operations		
Profit for the period from discontinued operations	16	11
Profit for the period	**146**	**24**
Attributable to:		
Non-controlling interests	-	7
NBG equity shareholders	**146**	**17**
Earnings / (losses) per share (Euro) - Basic and diluted from continuing operations	**€0.17**	**€0.01**
Earnings / (losses) per share (Euro) - Basic and diluted from continuing and discontinued operations	**€0.19**	**€0.02**

Athens, 21 November 2019

THE CHAIRMAN OF THE BOARD OF DIRECTORS	THE CHIEF EXECUTIVE OFFICER	THE CHIEF FINANCIAL OFFICER
COSTAS P. MICHAELIDES	PAVLOS K. MYLONAS	CHRISTOS D. CHRISTODOULOU

The notes on pages 10 to 38 form an integral part of these interim financial statements

Statement of Comprehensive Income
for the period ended 30 September 2019

€ million	Group 3 month period ended 30.09.2019	 30.09.2018
Profit for the period	**146**	**24**
Other comprehensive income / (expense):		
Items that may be reclassified subsequently to profit or loss:		
Available-for-sale securities, net of tax	205	(45)
Currency translation differences, net of tax	2	(4)
Cash flow hedge, net of tax	(21)	-
Net investment hedge, net of tax	-	(1)
Total of items that may be reclassified subsequent to profit or loss	**186**	**(50)**
Items that will not be reclassified subsequent to profit or loss		
Investment in equity instruments at FVTOCI, net of tax	(5)	(3)
Other comprehensive income/(expense) for the period, net of tax	**181**	**(53)**
Total comprehensive income/(expense) for the period	**327**	**(29)**
Attributable to:		
Non-controlling interests	-	7
NBG equity shareholders	**327**	**(36)**

Athens, 21 November 2019

THE CHAIRMAN OF THE BOARD OF DIRECTORS	THE CHIEF EXECUTIVE OFFICER	THE CHIEF FINANCIAL OFFICER
COSTAS P. MICHAELIDES	PAVLOS K. MYLONAS	CHRISTOS D. CHRISTODOULOU

The notes on pages 10 to 38 form an integral part of these interim financial statements

Statement of Changes in Equity - Group

for the period ended 30 September 2019

€ million	Share capital	Share premium	Treasury shares	Securities at FVTOCI	Currency translation reserve	Net investment hedge	Cash flow hedge	Defined benefit plans	Other reserves & Retained earnings	Total	Non-controlling Interests	Total
	Attributable to equity holders of the parent company											
	Ordinary shares	Ordinary shares										
Balance at 1 January 2018	**2,744**	**13,866**	**-**	**160**	**13**	**(119)**	**-**	**(165)**	**(9,803)**	**6,696**	**683**	**7,379**
Impact of IFRS 9	-	-	-	42	-	-	-	-	(1,582)	**(1,540)**	-	**(1,540)**
Balance at 1 January 2018 adjusted for impact of IFRS 9	**2,744**	**13,866**	**-**	**202**	**13**	**(119)**	**-**	**(165)**	**(11,385)**	**5,156**	**683**	**5,839**
Other Comprehensive Income/ (expense) for the period	-	-	-	(129)	(11)	-	-	-	-	**(140)**	-	**(140)**
Profit for the period	-	-	-	-	-	-	-	-	36	**36**	27	**63**
Total Comprehensive Income / (expense) for the period	**-**	**-**	**-**	**(129)**	**(11)**	**-**	**-**	**-**	**36**	**(104)**	**27**	**(77)**
Dividend distribution	-	-	-	-	-	-	-	-	-	**-**	(40)	**(40)**
(Purchases)/ disposals of treasury shares	-	-	(1)	-	-	-	-	-	-	**(1)**	-	**(1)**
Balance at 30 September 2018	**2,744**	**13,866**	**(1)**	**73**	**2**	**(119)**	**-**	**(165)**	**(11,349)**	**5,051**	**670**	**5,721**
Movements to 31 December 2018	-	-	1	17	10	-	-	3	(120)	**(89)**	6	**(83)**
Balance at 31 December 2018	**2,744**	**13,866**	**-**	**90**	**12**	**(119)**	**-**	**(162)**	**(11,469)**	**4,962**	**676**	**5,638**
Impact of IFRS 16	-	-	-	-	-	-	-	-	4	**4**	-	**4**
Balance at 1 January 2019 adjusted for impact of IFRS 16	**2,744**	**13,866**	**-**	**90**	**12**	**(119)**	**-**	**(162)**	**(11,465)**	**4,966**	**676**	**5,642**
Other Comprehensive Income/ (expense) for the period	-	-	-	570	1	-	(42)	-	4	**533**	-	**533**
Profit / (loss) for the period	-	-	-	-	-	-	-	-	379	**379**	18	**397**
Total Comprehensive Income / (expense) for the period	**-**	**-**	**-**	**570**	**1**	**-**	**(42)**	**-**	**383**	**912**	**18**	**930**
Acquisitions, disposals & share capital increases of subsidiaries/equity method investments	-	-	-	-	-	-	-	-	1	**1**	(659)	**(658)**
Dividend distribution	-	-	-	-	-	-	-	-	-	**-**	(15)	**(15)**
Balance at 30 September 2019	**2,744**	**13,866**	**-**	**660**	**13**	**(119)**	**(42)**	**(162)**	**(11,081)**	**5,879**	**20**	**5,899**

The notes on pages 10 to 38 form an integral part of these financial statements

Cash Flow Statement
for the period ended 30 September 2019

	Group	
	9-month period ended	
€ million	30.09.2019	30.09.2018
Cash flows from operating activities		
Profit / (loss) before tax	**421**	**93**
Adjustments for:		
Non-cash items included in income statement and other adjustments:	**(3)**	**323**
Depreciation and amortisation on investment property, property & equipment and intangibles	92	68
Amortisation of premiums /discounts of investment securities, debt securities in issue and borrowed funds	(13)	(9)
Credit provisions and other impairment charges	328	296
Provision for employee benefits	22	9
Result from fair value hedges	29	4
Dividend income from investment securities	(4)	(3)
Net (gain) / loss on disposal of property & equipment and investment property	-	1
Net (gain) / loss on disposal of investment securities	(338)	(61)
Net (gain) / loss on disposal of subsidiaries	(90)	(6)
Accrued interest from financing activities and results from repurchase of debt securities in issue	16	9
Valuation adjustment on instruments designated at fair value through profit or loss	(61)	-
Negative goodwill	(3)	-
Other non-cash operating items	19	15
Net (increase) / decrease in operating assets:	**(2,615)**	**809**
Mandatory reserve deposits with Central Bank	(66)	222
Due from banks	(1,167)	(83)
Financial assets at fair value through profit or loss	836	100
Derivative financial instruments assets	(1,950)	69
Loans and advances to customers	(3)	781
Other assets	(265)	(280)
Net increase / (decrease) in operating liabilities:	**(1,068)**	**1,928**
Due to banks	(2,823)	(376)
Due to customers	(124)	1,869
Derivative financial instruments liabilities	1,155	119
Retirement benefit obligations	(45)	62
Insurance related reserves and liabilities	241	(53)
Income taxes (paid) / received	(35)	2
Other liabilities	563	305
Net cash from / (for) operating activities	**(3,265)**	**3,153**
Cash flows from investing activities		
Acquisition of subsidiaries, net of cash acquired	(55)	(8)
Disposals of subsidiaries, net of cash disposed	319	6
Disposal of equity method investments	(6)	-
Dividends received from investment securities & equity method investments	4	3
Purchase of investment property, property & equipment and intangible assets	(78)	(103)
Proceeds from disposal of property & equipment and investment property	1	23
Purchase of investment securities	(8,860)	(3,910)
Proceeds from redemption and sale of investment securities	8,850	4,172
Net cash (used in) / provided by investing activities	**175**	**183**
Cash flows from financing activities		
Proceeds from debt securities in issue and other borrowed funds	715	187
Repayments of debt securities in issue, other borrowed funds and preferred securities	(117)	(65)
Principal elements of lease payments	(13)	-
Proceeds from disposal of treasury shares	21	17
Repurchase of treasury shares	(21)	(18)
Dividends paid to non-controlling interests	(15)	(40)
Net cash from/ (for) financing activities	**570**	**81**
Effect of foreign exchange rate changes on cash and cash equivalents	3	1
Net increase / (decrease) in cash and cash equivalents	**(2,517)**	**3,418**
Cash and cash equivalents at beginning of period	6,453	2,516
Cash and cash equivalents at end of period	**3,936**	**5,934**

The notes on pages 10 to 38 form an integral part of these interim financial statements

NOTE 1: General information

National Bank of Greece S.A. (hereinafter "NBG" or the "Bank") was founded in 1841 and its shares have been listed on the Athens Exchange since 1880. The Bank's headquarters are located at 86 Eolou Street, Athens, Greece, (Register number G.E.MH. 237901000), tel.: (+30) 210 334 1000, www.nbg.gr. By resolution of the Board of Directors, the Bank can establish branches, agencies and correspondence offices in Greece and abroad. In its 179 years of operation, the Bank has expanded on its commercial banking business by entering into related business areas. National Bank of Greece and its subsidiaries (hereinafter the "Group") provide a wide range of financial services including retail and commercial banking, asset management, brokerage, investment banking, insurance and real estate at a global level. The Group operates in Greece, UK, North Macedonia, Romania, Cyprus, Malta and Egypt.

The Board of Directors consists of the following members:

The Non-Executive Chairman of the Board of Directors
Costas P. Michaelides

The Non-Executive Vice Chair of the Board of Directors
Aikaterini K. Beritsi [1]

The Chief Executive Officer
Pavlos K. Mylonas

Executive Members [2]
Dimitrios N. Kapotopoulos [3]
Christina T. Theofilidi [4]

Independent Non-Executive Members [5], [6], [7]

Gikas A. Hardouvelis	Senior Independent Director
Avraam C. Gounaris	
Wietze J.P. Reehoorn	
Elena Ana E.V. Cernat	
Claude Edgar L.G.Piret	
Andrew J. McIntyre	

Hellenic Financial Stability Fund representative
Periklis F. Drougkas

[1] On 31 July 2019, Aikaterini K. Beritsi was elected as non-executive member of the Board by the Annual General Meeting of the Bank's Shareholders and was appointed Vice Chair of the Board of Directors.
[2] At the meeting of the Board of Directors held on 10 July 2019, it was announced that Panos A. Dasmanoglou will no longer serve as executive member of the Board and will remain as General Manager at the Bank and Company Secretary, with the same duties.
[3] On 24 January 2019, Dimitrios N. Kapotopoulos was elected as executive member of the Board of Directors, replacing the executive member Dimitrios G. Dimopoulos who resigned.
[4] On 31 July 2019, Christina T. Theofilidi was elected as executive member of the Board of Directors by the Annual General Meeting of the Bank's Shareholders.
[5] On 10 July 2019 at the Board of Directors meeting, Eva Cederbalk and Haris A. Makkas resigned from their positions as independent non-executive members of the Board of Directors. At the same date Yiannis G. Zographakis resigned from his position as non-executive member of the Board of Directors.
[6] On 31 July 2019, the Annual General Meeting of the Bank's Shareholders elected Gikas A. Hardouvelis, Avraam C. Gounaris, Wietze J.P. Reehoorn and Elena Ana E.V. Cernat as new independent non-executive members of the Board.
[7] On 29 August 2019, at the Board of Directors meeting, the resignation of John P.J. McCormick from his position as independent non-executive member of the Board of Directors was announced.

The Directors are elected by the Bank's General Meeting of Shareholders for a maximum term of 3 years and may be re-elected. The term of the above members expires at the Annual General Meeting of the Bank's Shareholders in 2021.

These interim financial statements have been approved for issue by the Bank's Board of Directors on 21 November 2019.

NOTE 2: Summary of significant accounting policies

2.1 Basis of preparation

The condensed consolidated interim financial statements as at and for the 9-month period ended 30 September 2019 (the "interim financial statements") have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting". These interim financial statements include selected explanatory notes and do not include all the information required for full annual financial statements. Therefore, the interim financial statements should be read in conjunction with the consolidated and separate annual financial statements as at and for the year ended 31 December 2018, which have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as endorsed by the European Union (the "EU").

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim period, except for the adoption of new and amended standards as set out below.

The amounts are stated in Euro, rounded to the nearest million (unless otherwise stated) for ease of presentation. Where necessary, comparative figures have been adjusted to conform to changes in current period's presentation.

The interim financial statements have been prepared under the historical cost convention, except for fair value through other comprehensive income financial assets, financial assets and financial liabilities held at fair value through profit or loss and all derivative contracts, which have been measured at fair value.

2.2 Going concern

Going concern conclusion

The Board of Directors concluded that the Bank is a going concern after considering (a) the current level of ECB funding solely from TLTRO and the current access to the Eurosystem facilities with significant collateral buffer (b) the Group's CET1 ratio of 30 September 2019 which exceeded the OCR requirements and (c) the recent developments regarding the Greek economy and the latest estimates regarding macroeconomic indicators, as discussed below.

Liquidity

As at 30 September 2019, the funding from European Central Bank ("ECB") remained at €2.2 billion (31 December 2018: €2.2 billion). As of 30 September 2019 the Bank had entered into secure interbank transactions with foreign financial institutions of €0.9 billion, while the Bank's Eurosystem liquidity buffer stood at €9.2 billion (cash value).

Capital adequacy

The Group's Common Equity Tier 1 ("CET1") and Total Capital ratios at 30 September 2019 was 15.2% and 16.2%, respectively exceeding the Overall Capital Requirement ("OCR") ratio of 13.75% and 14.0% for 2019 and 2020, respectively (see Note 20).

Macroeconomic developments

Economic activity in Greece remained on an upward trend in H1:2019, with the annual growth of real Gross Domestic Product ("GDP") accelerating to 1.9% in Q2:2019 from 1.1% in Q1:2019. This improvement has been mostly driven by net exports which added 0.5 pps in annual GDP growth, broadly offsetting a 0.7 pps drag from lower investments. This weakening likely reflects a deferral of private spending decisions, which is typical in pre-election periods, along with a cautious spending policy by exporting firms in the face of slowing economic growth internationally.

However, economic sentiment recorded a significant improvement in H1:2019 and increased to pre-crisis levels in Q3:2019, on the back of a sharp increase in consumer confidence to an all-time high in September 2019 and an additional strengthening in services and retail trade confidence – although there has been a modest seasonal drop in October 2019, when support from tourism activity typically fades. This improvement reflects, *inter alia,* the implementation of fiscal expansion measures of 1.0% of GDP taking effect in the period May-December 2019 (mainly reductions in VAT rate and ENFIA, reinstatement of the "13th pension"). The above developments bode well for a further acceleration in GDP growth in Q3:2019. In this respect, tourism activity outperformed initial expectations, with tourism revenue increasing by 13.8% y-o-y in 8M. The real estate market showed stronger signs of recovery, with house price growth accelerating further to 7.7% y-o-y in Q2:2019 from 4.9% in Q1 and 1.7%, on average, in FY:2018. The official sector projects that annual GDP growth will reach 1.8% and 2.3%, respectively, in 2019 and 2020 (average of European Commission and IMF forecasts), despite the slowdown in the euro area economy.

Positive macroeconomic trends and continued fiscal overperformance domestically, in conjunction with an accommodative shift in ECB policy in Q3:2019 – which presaged a more protracted than previously expected period of monetary easing – lead to a sharp compression in sovereign risk and Greek government bond yields to all-time lows in September-October 2019 (10-year GGB yield at 1.20% in late-October from an average of 1.49% in September and 2.67% in June 2019 and negative rate of -0.02% in 3-month T-bills in October 2019).

However, receding risks of recession in major economies, in conjunction with some optimism for a "controlled Brexit", partly led to an increase in government bond yields and a widening in spreads over bund in the euro area periphery, over the two weeks until mid-November, from their extremely low levels between September and early-November 2019.

However, the private sector balance sheets remain weak, whereas investment spending remains volatile and highly dependent on disbursements of the public investment budget. Despite the significant improvements, Greece's economic performance and financial asset valuations remain sensitive to macroeconomic and financial volatility globally. Moreover, a timely resolution of the non-performing exposures, in line with the ambitious and frontloaded targets set by the Greek banks, is prerequisite for increasing Greece's potential growth in the following years and supports a higher credit rating for the Hellenic Republic.

2.3 Adoption of International Financial Reporting Standards (IFRS)

New standards, amendments and interpretations to existing standards effective from 1 January 2019

New standards

-IFRS 16 Leases (effective for annual periods beginning on or after 1 January 2019). IFRS 16 supersedes relevant lease guidance including IAS 17 "*Leases*", International Financial Reporting Interpretations Committee ("IFRIC") 4 "*Determining whether an agreement contains a lease*", SIC-15 "*Operating Leases – Incentives*" and SIC-27 "*Evaluating the Substance of Transactions Involving the Legal From of a Lease*", and establishes principles for the recognition, measurement, presentation and disclosure of lease agreements, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions.

IFRS 16 introduces a single on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use ("RoU") asset, representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The lease liability is initially measured at the present value of the future lease payments, discounted using the rate implicit in the lease or, if this rate cannot be readily determined, the lessee's incremental borrowing rate ("IBR"). The RoU asset is initially measured at the amount of the lease liability.

Subsequently, the RoU asset is amortised over the length of the lease, and the financial liability is measured at amortised cost. The operating lease expense for the leases accounted for under IAS 17 is replaced by a depreciation charge for the RoU asset and an interest expense from the unwinding of the discount on the lease liability. The change in presentation of operating lease expenses results in an improvement in cash flows from operating activities and a corresponding decline in cash flows from financing activities.

Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases, using the same classification criteria provided by the IAS 17.

Leases in which the Group is a Lessor

There was no significant impact for the Group's finance leases or for the leases in which the Group is a lessor.

Leases in which the Group is a Lessee

The Group applied the modified retrospective approach, where the RoU asset is set equal to the amount of the lease liability upon adoption, and did not restate the comparative information. The Group applied the practical expedient to grandfather the lease definition on transition to IFRS 16 and not reassess whether a contract is or contains a lease. Therefore, at transition date (i.e. 1 January 2019), the Group applied IFRS 16 solely to contracts that were previously identified as leases based on IAS 17 and IFRIC 4.

The Group has elected to take a recognition exemption for short-term leases and leases of low-value items, for which lease payments are recognized as operating expenses on a straight-line basis over the lease term.

The most significant estimate used in the measurement of the lease liability relates to IBR used for discounting the lease payments to their present value as of the date of initial application and is considered to be a critical accounting estimate.

As at 31 December 2018, the Group had non-cancellable operating lease commitments of €196 million. Since most of the arrangements relate to leases other than short-term leases and leases of low-value assets, IFRS 16 increased the assets, liabilities and retained earnings of the Group by €136 million, €132 million and €4 million respectively, as at 1 January 2019. Refer to Note 25 for more details on the impact of the first time adoption of IFRS 16 as at 1 January 2019.

The Group's RoU assets and lease liabilities are included in line items "property and equipment" and "other liabilities", respectively.

Amendments and interpretations

The Group has adopted the following amendments and interpretations which did not have a material impact on the Group's interim financial statements.

-IFRS 4 (Amendment) Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts. The amendments introduce two approaches. The amended standard will: a) give all companies that issue insurance contracts the option to recognise in other comprehensive income, rather than profit or loss, the volatility that could arise when IFRS 9 is applied before the new insurance contracts standard is issued and b) give companies whose activities are predominantly connected with insurance an optional temporary exemption from applying IFRS 9 until 2021. The entities that defer the application of IFRS 9 will continue to apply IAS 39.

The Group has elected to defer the provisions of IFRS 9 for its insurance subsidiary, Ethniki Hellenic General Insurance SA ("NIC"), as allowed by Commission Regulation (EU) 2017/1988 from 1 January 2018 to 1 January 2021, the adoption date of IFRS 17 Insurance Contracts. As of 30 September 2019, NIC was classified as a discontinued operation and shall continue applying the requirements of IAS 39.

-IFRIC 23 Uncertainty over Income Tax Treatments (effective for annual periods beginning on or after 1 January 2019, as issued by the IASB). The interpretation explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. IFRIC 23 applies to all aspects of income tax accounting where there is such uncertainty, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates.

-IAS 19 (Amendment) Plan Amendment, Curtailment or Settlement (effective for annual periods beginning on or after 1 January 2019, as issued by the IASB). The amendments specify how companies determine pension expenses when changes to a defined benefit pension plan occur.

-Annual Improvements to IFRS Standards 2015–2017 Cycle (effective for annual periods beginning on or after 1 January 2019, as issued by the IASB).

IFRS 3 Business Combinations - amended to clarify that a company remeasures its previously held interest in a joint operation when it obtains control of the business.

IFRS 11 Joint Arrangements - amended to clarify that a company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.

IAS 12 Income Taxes - clarified to state that a company accounts for all income tax consequences of dividend payments in the same way.

IAS 23 Borrowing Costs - clarified to provide that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

-IFRS 9 (Amendment) Prepayment Features with Negative Compensation (effective for annual periods beginning on or after 1 January 2019, as issued by the IASB). The amendments allow companies to measure particular prepayable financial assets with so-called negative compensation at amortised cost or at fair value through other comprehensive income if a specified condition is met—instead of at fair value through profit or loss.

-IAS 28 (Amendment) Long-Term Interests in Associates and Joint Ventures (effective for annual periods beginning on or after 1 January 2019, as issued by the IASB). The amendments clarify that companies account for long-term interests in an associate or joint venture—to which the equity method is not applied—using IFRS 9.

New standards, amendments and interpretations to existing standards effective after 2019

New standards

-**IFRS 17 Insurance Contracts** (effective for annual periods beginning on or after 1 January 2021, as issued by the IASB). IFRS 17 has been issued in May 2017 and supersedes IFRS 4. In June 2019, the IASB issued an Exposure Draft which proposes targeted amendments to IFRS 17 including, amongst other matters, a deferral of the effective date by one year (1 January 2022). IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of this standard and its objective is to ensure that an entity provides relevant information that faithfully represents those contracts. The new standard solves the comparison problems created by IFRS 4 by requiring all insurance contracts to be accounted for in a consistent manner. Insurance obligations will be accounted for using current values instead of historical cost. The standard has not yet been endorsed by the EU. The Group is in the process of implementing IFRS 17 and is currently assessing the impact of adopting this Standard and the proposed amendments.

Amendments to standards and interpretations effective after 2019

-IFRS 9, IAS 39 and IFRS 7 (Amendments) "Interest rate benchmark reform" (effective for annual periods beginning on or after 1 January 2020). The amendments modify some specific hedge accounting requirements to provide relief from potential effects of the uncertainty caused by the IBOR reform. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties.

-Definition of a Business - Amendments to IFRS 3, (effective for annual periods beginning on 1 January 2020, as issued by the IASB). The IASB issued amendments to the definition of a business in IFRS 3 *Business Combinations* to help entities determine whether an acquired set of activities and assets is a business or not. They clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements or processes and continuing to produce outputs, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test. The amendments must be applied to transactions that are either business combinations or asset acquisitions for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2020. Consequently, entities do not have to revisit such transactions that occurred in prior periods.

-Definition of Materiality - Amendments to IAS 1 and IAS 8 (effective for annual periods beginning on 1 January 2020, as issued by the IASB). In October 2018, the IASB issued amendments to IAS 1 *Presentation of Financial Statements* and IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.' The amendments clarify that materiality will depend on the nature or magnitude of information, or both. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements.

-Conceptual Framework In March 2018, the IASB issued a revised version of its Conceptual Framework for Financial Reporting (the "Framework"), which becomes effective in annual periods beginning on 1 January 2020. The Framework sets out the fundamental concepts of financial reporting that guide the IASB in developing IFRS Standards. The Framework underpins existing IFRS Standards but does not override them. Preparers of financial statements use the Framework as a point of reference to develop accounting policies in rare instances where a particular business transaction is not covered by existing IFRS Standards. The IASB and the IFRS Interpretations Committee will begin to use the new Framework immediately in developing new, or amending existing, financial reporting standards and interpretations. The Group is currently assessing the effect of the amended Framework on its accounting policies.

2.4 Critical judgments and estimates

In preparing these interim financial statements, the significant estimates, judgments and assumptions made by Management in applying the Group's accounting policies and the key sources of estimation uncertainty were similar to those applied to the annual consolidated financial statements as at and for the year ended 31 December 2018 with the exception of the Incremental Borrowing Rate ("IBR") for the discounting of the lease liabilities upon application of IFRS 16 (see Note 2.3).

NOTE 3: Segment reporting

The Group manages its business through the following business segments:

Retail banking

Retail banking includes all individual customers, professionals, small-medium and small-sized companies (companies with annual turnover of up to €2.5 million) except for exposures transferred to the Special Assets Unit ("SAU"). The Bank, through its extended network of branches, offers to its retail customers various types of loans, deposit and investment products, as well as a wide range of other traditional services and products.

Corporate & investment banking

Corporate & investment banking includes lending to all large and medium-sized companies and shipping finance except for exposures transferred to the SAU and investment banking activities. The Group offers its corporate customers a wide range of products and services, including financial and investment advisory services, deposit accounts, loans (denominated in both euro and foreign currency), foreign exchange and trade service activities.

Special Assets Unit ("SAU")

In order to (a) manage more effectively delinquent, non-performing and denounced loans to legal entities, and (b) ensure compliance with the provisions of the Bank of Greece Executive Committee Act 42/30.5.2014 and Act 47/9.2.2015 and the Code of Conduct (referred to in Article 1(2) of Law 4224/2013), the Bank established the SAU, which has the overall responsibility for the management of such loans to legal entities (end-to-end responsibility).

Global markets and asset management

Global markets and asset management includes all treasury activities, private banking, asset management (mutual funds and closed end funds), custody services, private equity and brokerage.

Insurance

The Group offers a wide range of insurance products through its subsidiary company, NIC and other subsidiaries in SEE. As of 30 June 2017, NIC was classified as Held for Sale and Discontinued Operations (see Note 11).

International banking operations

The Group's international banking activities include a wide range of traditional commercial banking services, such as commercial and retail credit, trade financing, foreign exchange and taking of deposits. In addition, the Group offers shipping finance, investment banking and brokerage services through certain of its foreign branches and subsidiaries. As of 30 September 2017, Banka Romaneasca S.A. ("Romaneasca") and as of 31 December 2018, NBG Cyprus and NBG Cairo branch were classified as Held for Sale and Discontinued Operations.

Other

Includes proprietary real estate management, warehousing business as well as unallocated income and expense of the Group (interest expense of subordinated debt, loans to personnel etc.) and intersegment eliminations. As of 31 March 2019, NBG Pangaea REIC was classified as Held for Sale and Discontinued Operations. On 23 May 2019, the disposal of NBG Pangaea REIC was completed (see Note 22).

Notes to the interim financial statements
Group

Breakdown by business segment

9 month period ended 30 September 2019	Retail Banking	Corporate & Investment Banking	SAU	Global markets & Asset Management	Insurance	International Banking Operations	Other	Group
Net interest income	301	332	87	133	-	46	(1)	**898**
Net fee and commission income	89	66	4	14	-	10	1	**184**
Other	(22)	(11)	(2)	278	-	3	12	**258**
Total income	**368**	**387**	**89**	**425**	**-**	**59**	**12**	**1,340**
Direct costs	(293)	(30)	(10)	(24)	-	(28)	(61)	**(446)**
Allocated costs and provisions(1)	(356)	10	(36)	13	-	(81)	(155)	**(605)**
Profit / (loss) before tax	**(281)**	**367**	**43**	**414**	**-**	**(50)**	**(204)**	**289**
Tax benefit / (expense)								**(11)**
Profit for the period from continuing operations								**278**
Non-controlling interests								**(18)**
Profit for the period from discontinued operations	-	-	-	-	46	14	59	**119**
Profit attributable to NBG equity shareholders								**379**

(1) *Includes depreciation and amortisation on investment property, property & equipment including RoU assets, software & other intangible assets.*

Depreciation and amortisation	58	4	1	3	-	3	18	**87**
Credit provisions and other impairment charges	227	(33)	18	(20)	-	80	48	**320**

Breakdown by business segment

9 month period ended 30 September 2018	Retail Banking	Corporate & Investment Banking	SAU	Global markets & Asset Management	Insurance	International Banking Operations	Other	Group
Net interest income	295	303	88	23	-	49	82	**840**
Net fee and commission income	88	59	3	14	-	12	(1)	**175**
Other	4	(21)	(12)	43	-	3	(42)	**(25)**
Total income	**387**	**341**	**79**	**80**	**-**	**64**	**39**	**990**
Direct costs	(325)	(29)	(11)	(25)	-	(36)	19	**(407)**
Allocated costs and provisions(2)	(270)	10	(113)	14	-	(6)	(179)	**(544)**
Profit / (loss) before tax	**(208)**	**322**	**(45)**	**69**	**-**	**22**	**(121)**	**39**
Tax benefit / (expense)								**(19)**
Profit for the period from continuing operations								**20**
Non controlling interests								**27**
Profit / (loss) for the period from discontinued operations	-	-	-	-	55	-	(12)	**43**
Profit attributable to NBG equity shareholders								**36**

Depreciation, amortisation & impairment charges(2)	25	2	-	2	-	2	24	**55**
Credit provision and other impairment charges	156	(31)	99	(23)	-	6	40	**247**

(2) *Includes depreciation and amortisation on investment property, property & equipment, software & other intangible assets.*

Notes to the interim financial statements
Group

Breakdown by business segment

	Retail Banking	Corporate & Investment Banking	SAU	Global markets & Asset Management	Insurance	International Banking Operations	Other	Group
Segment assets as at 30 September 2019								
Segment assets	14,047	11,851	1,205	8,647		2,477	15,863	**54,090**
Current income tax advance and deferred tax assets								**5,292**
Non-current assets held for sale	682	90	-	-	3,752	1,922	-	**6,446**
Total assets								**65,828**
Segment liabilities as at 30 September 2019								
Segment liabilities	36,153	2,498	116	5,810	-	1,852	9,081	**55,510**
Current income and deferred tax liabilities								**11**
Liabilities associated with non-current assets held for sale	-	-	-	-	2,546	1,862	-	**4,408**
Total liabilities								**59,929**

	Retail Banking	Corporate & Investment Banking	SAU	Global markets & Asset Management	Insurance	International Banking Operations	Other	Group
Segment assets as at 31 December 2018								
Segment assets	15,597	11,446	1,773	7,106		2,422	16,262	**54,606**
Current income tax advance and deferred tax assets								**5,268**
Non-current assets held for sale	-	-	-	-	3,156	2,045	20	**5,221**
Total assets								**65,095**
Segment liabilities as at 31 December 2018								
Segment liabilities	34,543	2,706	191	9,934	-	1,921	6,047	**55,342**
Current income and deferred tax liabilities								**23**
Liabilities associated with non-current assets held for sale	-	-	-	-	2,342	1,750	-	**4,092**
Total liabilities								**59,457**

NOTE 4: Credit provisions and other impairment charges

	Group	
Continuing Operations	30.09.2019	30.09.2018
a. Impairment charge for expected credit losses (“ECL”)		
Loans and advances to customers	275	238
Net modification loss	28	-
	303	**238**
b. Impairment charge for securities		
Investment in debt instruments	(20)	(24)
	(20)	**(24)**
c. Other provisions and impairment charges		
Impairment of investment property, property and equipment, software & other intangible assets and other assets	-	(4)
Legal and other provisions	37	37
	37	**33**
Total	**320**	**247**

NOTE 5: Restructuring costs

For the period ended 30 September 2019 restructuring costs include €94 million estimated cost for the 2019 Voluntary Exit Scheme, and €16 million direct expenditure relating to the Transformation Program.

For the period ended 30 September 2018 restructuring costs included €40 million estimated cost for the 2018 Voluntary Exit Scheme.

NOTE 6: Tax benefit / (expense)

	Group	
Continuing Operations	30.09.2019	30.09.2018
Current tax	(10)	(16)
Deferred tax	(1)	(3)
Tax benefit / (expense)	**(11)**	**(19)**

The nominal corporation tax rate for the Bank for 2019 and 2018 is 29%. Following Law 4603/2019, the withholding tax on dividends distributed from 1 January 2019 onwards is decreased from 15% to 10%.

The unaudited tax years of the Group’s equity method investments and subsidiaries are presented in Note 22.

Based on Law 4579/2018 effective from 2019, the corporate income tax rate for legal entities, other than credit institutions, will be gradually reduced as follows:

- 28% for income earned in 2019;
- 27% for income earned in 2020;
- 26% for income earned in 2021; and
- 25% for income earned as from 2022.

The corporate tax rate applicable to credit institutions remains at 29%.

Receivables from withholding taxes on bonds and treasury bills

Current income tax advance includes withholding tax receivables of €203 million relating to the financial years 2009, 2011, 2012 and 2013 (tax years 2008, 2010, 2011 and 2012), which the Bank claims from the Greek State. On 29 March 2019, an amendment was passed through Law 4605/2019 (article 93, para. 1 & 2) regarding Corporate Income Tax legislation, clarifying the status of these withholding tax receivables of banks. Specifically, (a) taxes of €41 million, withheld in accordance with the provisions of para. 8 of article 12 of Law 2238/1994, are offset as a priority when income tax is incurred and to the extent that income tax is sufficient for the purposes of the above set-off, (b) withholding taxes of €162 million, which are subject to the provisions of para. 6 of article 3 of Law 4046/2012 and not offset within five years, are offset in equal instalments within 10 years with any tax liabilities of banks, starting from 1 January 2020.

NOTE 7: Earnings per share

	Group	
	9-month period ended	
	30.09.2019	30.09.2018
Profit for the period attributable to NBG equity shareholders from continuing operations	277	19
Earnings for the period attributable to NBG ordinary shareholders from continuing operations	**277**	**19**
Earnings for the period from discontinued operations	102	17
Earnings for the period attributable to NBG ordinary shareholders from continuing and discontinued operations	**379**	**36**
Weighted average number of ordinary shares outstanding for basic and diluted earnings per share	**914,506,687**	**914,551,736**
Earnings per share (Euro) - Basic and diluted from continuing operations	**0.30**	**0.02**
Earnings per share (Euro) - Basic and diluted from continuing and discontinued operations	**0.41**	**0.04**

NOTE 8: Financial assets at fair value through profit or loss and investment securities

Financial assets at FVTPL as of 31 December 2018 included the amount of €3,273 million for the Swap with the Hellenic Republic mandatorily measured at FVTPL as it had not satisfied the criteria of the solely payment of principal and interest assessment ("SPPI assessment"). In February 2019, NBG exchanged the Swap with the Hellenic Republic for three Greek government bonds maturing in 2023, 2025 and 2026 with a total nominal value of €3,314 million and fair value of €3,282 million. The Greek government bonds were classified as Held-To-Collect, measured at amortised cost and are presented within Investment Securities. A gain of €46 million was recognized from the transaction, which includes the release of the CVA on the Swap with the Hellenic Republic and the charge for the Expected Credit Losses on the new bonds acquired.

Furthermore, €650 million of Greek Treasury bills classified at FVTPL as of 31 December 2018, matured in 2019.

As at 30 September 2019, Greek Government bonds, within investment securities portfolio, increased by €974 million and Greek Treasury bills decreased by €290 million, compared to 31 December 2018.

NOTE 9: Loans and advances to customers

	Group	
	30.09.2019	31.12.2018
Mortgages	14,890	15,795
Consumer loans	2,400	3,087
Credit cards	522	668
Small business lending	2,076	3,094
Retail lending	**19,888**	**22,644**
Corporate and public sector lending	15,757	16,956
Total before ECL allowance for impairment on loans and advances to customers	**35,645**	**39,600**
Less: ECL allowance for impairment on loans and advances to customers	(6,578)	(9,466)
Total	**29,067**	**30,134**

During the 9-month period ended 30 September 2019, Bank's NPE loans of €772 million were reclassified as held for sale (Gross carrying amount: €2,858 million, ECL allowance: €2,086 million).

Loans and advances to customers at amortised cost and mandatorily measured at FVTPL - Group

As at 30 September 2019	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Credit impaired Lifetime ECL	Total
Loans and advances to customers at amortised cost				
Mortgages				
Gross carrying amount	2,946	5,237	6,707	14,890
ECL allowance	(31)	(134)	(2,453)	(2,618)
Net carrying amount	**2,915**	**5,103**	**4,254**	**12,272**
Consumer loans				
Gross carrying amount	1,302	391	707	2,400
ECL allowance	(21)	(76)	(487)	(584)
Net carrying amount	**1,281**	**315**	**220**	**1,816**
Credit Cards				
Gross carrying amount	460	13	49	522
ECL allowance	(3)	-	(46)	(49)
Net carrying amount	**457**	**13**	**3**	**473**
Small business lending				
Gross carrying amount	405	626	1,045	2,076
ECL allowance	(6)	(78)	(754)	(838)
Net carrying amount	**399**	**548**	**291**	**1,238**
Corporate lending				
Gross carrying amount	10,912	756	3,557	15,225
ECL allowance	(86)	(64)	(2,308)	(2,458)
Net carrying amount	**10,826**	**692**	**1,249**	**12,767**
Public sector lending				
Gross carrying amount	323	36	39	398
ECL allowance	(3)	(4)	(24)	(31)
Net carrying amount	**320**	**32**	**15**	**367**
Total loans and advances to customers at amortised cost				
Gross carrying amount	16,348	7,059	12,104	35,511
ECL allowance	(150)	(356)	(6,072)	(6,578)
Net carrying amount of loans and advances to customers at amortised cost	**16,198**	**6,703**	**6,032**	**28,933**
Loans and advances to customers mandatorily measured at FVTPL				**134**
Total loans and advances to customers				**29,067**

Notes to the interim financial statements
Group

Loans and advances to customers at amortised cost and mandatorily measured at FVTPL - Group

As at 31 December 2018	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Credit impaired Lifetime ECL	Total
Loans and advances to customers at amortised cost				
Mortgages				
Gross carrying amount	3,188	5,525	7,082	15,795
ECL allowance	(36)	(208)	(2,734)	(2,978)
Net carrying amount	**3,152**	**5,317**	**4,348**	**12,817**
Consumer loans				
Gross carrying amount	1,302	447	1,338	3,087
ECL allowance	(21)	(83)	(1,053)	(1,157)
Net carrying amount	**1,281**	**364**	**285**	**1,930**
Credit Cards				
Gross carrying amount	499	13	156	668
ECL allowance	(5)	(1)	(156)	(162)
Net carrying amount	**494**	**12**	**-**	**506**
Small business lending				
Gross carrying amount	427	672	1,994	3,093
ECL allowance	(4)	(77)	(1,469)	(1,550)
Net carrying amount	**423**	**595**	**525**	**1,543**
Corporate lending				
Gross carrying amount	10,117	791	5,464	16,372
ECL allowance	(75)	(59)	(3,426)	(3,560)
Net carrying amount	**10,042**	**732**	**2,038**	**12,812**
Public sector lending				
Gross carrying amount	350	9	93	452
ECL allowance	(3)	-	(56)	(59)
Net carrying amount	**347**	**9**	**37**	**393**
Total loans and advances to customers at amortised cost				
Gross carrying amount	15,883	7,457	16,127	39,467
ECL allowance	(144)	(428)	(8,894)	(9,466)
Net carrying amount of loans and advances to customers at amortised cost	**15,739**	**7,029**	**7,233**	**30,001**
Loans and advances to customers mandatorily measured at FVTPL				**133**
Total loans and advances to customers				**30,134**

Movement in the ECL allowance on loans and advances to customers - Group

	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Credit impaired Lifetime ECL	Total allowance
Balance at 1 January 2019	**144**	**428**	**8,894**	**9,466**
Impairment charge for ECL	13	(28)	290	275
Modification impact on ECL	-	-	(42)	(42)
Write-offs and Sales	-	-	(972)	(972)
Change in the present value of the ECL allowance	-	-	(68)	(68)
FX and other movements	-	-	22	22
Reclassified as Held For Sale	(7)	(44)	(2,052)	(2,103)
Balance at 30 September 2019	**150**	**356**	**6,072**	**6,578**

NOTE 10: Investment property and Property and equipment

The reduction in investment property during the 9 month period is mainly due to the disposal of NBG Pangaea REIC (see Note 22).

During the 9 month period ended 30 September2019, property and equipment increased by €0.7 billion, being the net effect of the application of IFRS 16 and the disposal of NBG Pangaea REIC.

NOTE 11: Assets and liabilities held for sale and discontinued operations

Non-current assets held for sale at 30 September 2019 comprise of Banca Romaneasca, NIC, NBG Cyprus Ltd and NBG Cairo Branch while at 31 December 2018 comprised of Banca Romaneasca, NIC, NBG Cyprus Ltd, NBG Cairo Branch and Grand Hotel S.A. The profit or losses from discontinued operations for the period ended 30 September 2019, comprises of Banca Romaneasca, NIC, NBG Cyprus Ltd, NBG Cairo Branch and NBG Pangaea REIC. The comparative profit or loss from discontinued operations includes S.A.B.A., Banca Romaneasca, NIC and NBG Albania and has been re-presented to also include NBG Cyprus Ltd, NBG Cairo Branch (which were classified as discontinued operations in December 2018) and NBG Pangaea REIC which was classified as discontinued operations in March 2019.

Banka NBG Albania Sh.A.

On 2 February 2018, the Bank entered into a definitive agreement with American Bank of Investments S.A. (“ABI”) for the divestment to ABI of its entire stake (100%) in its subsidiary Banka NBG Albania Sh.A. (“NBG Albania”). The agreed consideration for the disposal amounted to €25 million.

The disposal was completed on 3 July 2018, on which date control of NBG Albania passed to ABI. Details of the assets and liabilities disposed of, and the calculation of the profit or loss on disposal of the above transaction, are disclosed in Note 43 of the Annual Financial Report of 31 December 2018.

The South African Bank of Athens Ltd

On 22 December 2016, the Group entered into a definitive agreement with AFGRI Holdings Proprietary Limited (“AFGRI”), a company incorporated in the Republic of South Africa for the divestment to AFGRI of its 99.83% stake in its South African subsidiary S.A.B.A. The agreed consideration for the disposal of the subsidiary amounts to €18 million (ZAR 301 million).

The disposal was completed on 4 October 2018, on which date control of SABA passed to AFGRI. Details of the assets and liabilities disposed of, and the calculation of the profit or loss on disposal of the above transaction, are disclosed in Note 43 of the Annual Financial Report of 31 December 2018.

Grand Hotel Summer Palace S.A.

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

The disposal was completed on 5 April 2019, on which date control of Grand Hotel passed to Mitsis Company S.A. Details of the assets and liabilities disposed of, and the calculation of the profit or loss on disposal of the above transaction, are disclosed in Note 22 of these interim financial statements.

NBG Pangaea REIC

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

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

On 23 May 2019 control of NBG Pangaea REIC passed to the Buyers. Details of the assets and liabilities disposed of, and the calculation of the profit or loss on disposal of the above transaction, are disclosed in Note 22 of these interim financial statements.

National Bank of Greece – Egyptian Branch Network

The divestment of NBG's Branch Network in Egypt ("NBG Egypt") is an obligation of NBG under its amended Restructuring Plan. On 31 January 2018, the Board of Directors of NBG resolved to apply to the Central Bank of Egypt in order to commence the sales process, as per the local regulatory requirement.

The application was finally submitted in March 2018, the approval to commence the sales process was granted in July 2018 and the sales process was launched in October 2018.

The proceeds of disposal are expected to be lower than the carrying amount of the related net assets and accordingly cumulative impairment losses of €16 million (31 December 2018: €9 million) have been recognized at Group and Bank level on the classification of the subsidiary as held for sale.

The Bank signed a definitive agreement to sell certain assets and liabilities of NBG Egypt to Bank Audi SAE on 2 May 2019 and expects that the sale will be consummated within the next 12 months and therefore the assets and liabilities of NBG Egypt have been classified as held for sale and discontinued operations. Closing of the transaction is subject to the approvals of the Central Bank of Egypt. The Central Bank of Lebanon approved the transaction in June 2019.

Banca Romaneasca S.A.

On 20 June 2019, the Bank entered into a definitive agreement with Export-Import Bank of Romania ("EximBank") for the sale of its 99.28% stake in Banca Romaneasca ("BROM").

The proceeds of disposal are expected to be lower than the carrying amount of the related net assets and accordingly cumulative impairment losses of €91 million (31 December 2018: €110 million) have been recognized at Group level.

Closing of the transaction is subject to approval from the National Bank of Romania and the Romanian Competition Council.

National Bank of Greece (Cyprus) Ltd

The divestment of NBG (Cyprus) Ltd ("NBG Cyprus") is an obligation of NBG under its amended Restructuring Plan that was approved by its Board of Directors on 4 December 2015. The sales process for NBG Cyprus commenced in April 2018 and, given that the process is very advanced, the Bank is expecting to conclude the sale of NBG Cyprus within the next 12 months.
The proceeds of disposal are expected to be lower than the carrying amount of the related net assets and accordingly cumulative impairment losses of €41 million (31 December 2018: €39 million) have been recognized at Group level on the classification of the subsidiary as held for sale. NBG Cyprus has been classified as held for sale and discontinued operations.

Ethniki Hellenic General Insurance S.A.

NBG remains committed to implementing alternative options of compliance with the New Commitments Package as agreed with the DG Competition as regards the sale of its subsidiary NIC.

NBG relaunched the sales process, therefore it is expected that the sale being concluded within 12 months. For this reason NIC remains classified as held for sale and discontinued operations.

Condensed income statement of discontinued operations [1]

	Group	
	9 month period ended	
€ million	30.09.2019	30.09.2018
Net interest income	68	78
Net fee and commission income	(1)	14
Earned premia net of claims and commissions	58	55
Other income	69	54
Total income	**194**	**201**
Operating expenses	(130)	(137)
Provisions and impairments	8	(15)
Profit before tax	**72**	**49**
Tax benefit/(expense)	(13)	(12)
Profit for the period from discontinued operations	**59**	**37**
Profit on disposal (see Note 22)	60	6
Total profit for the period from discontinued operations (attributable to NBG equity shareholders)	**119**	**43**

[1] *Includes Banka Romaneasca, NIC, NBG Cyprus Ltd, NBG Pangaea REIC and NBG Cairo branch, while in 2018 S.A.B.A. and NBG Albania are also included.*

Cash Flows from discontinued operations

€ million	30.09.2019	30.09.2018
Net cash inflows/(outflows) from operating activities	144	318
Net cash inflows/(outflows) from investing activities	(156)	(252)
Net cash inflows/(outflows) from financing activities	105	(11)
Net Cash inflows /(outflows)	**93**	**55**

Analysis of non-current assets held for sale and liabilities associated with non-current assets held for sale

	Group	
ASSETS	30.09.2019[1]	31.12.2018[2]
Cash and balances with central banks	288	227
Due from banks	287	299
Financial assets at fair value through profit or loss	76	64
Derivative financial instruments	1	1
Loans and advances to customers	1,943	1,217
Investment securities	3,007	2,494
Investment property	89	90
Goodwill, software and other intangible assets	18	16
Property and equipment	135	141
Deferred tax assets	42	125
Insurance related assets and receivables	472	455
Current income tax advance	12	19
Other assets	66	67
Non-current assets held for sale	10	6
Total assets	**6,446**	**5,221**
LIABILITIES		
Due to banks	22	11
Derivative financial instruments	1	-
Due to customers	1,691	1,590
Insurance related reserves and liabilities	2,451	2,210
Deferred tax liabilities	3	1
Retirement benefit obligations	50	66
Other liabilities	190	214
Total liabilities	**4,408**	**4,092**

[1] *Includes Ethniki Hellenic General Insurance S.A., B.R.O.M., NBG Cairo branch and NBG Cyprus Ltd.*
[2] *Includes Ethniki Hellenic General Insurance S.A., B.R.O.M., NBG Cairo branch and NBG Cyprus Ltd and Grand Hotel Summer Palace S.A.*

NOTE 12: Due to banks

"Due to Banks" mainly includes the Bank's funding from the ECB of €2.2 billion and securities sold under agreements to repurchase of €0.9 billion, other deposits with financial institutions of €1.7 billion (31 December 2018: €2.25 billion, €4.1 billion and €1.3 billion, respectively).

NOTE 13: Due to customers

	Group	
	30.09.2019	31.12.2018
Deposits:		
Individuals	33,114	31,866
Corporate	6,368	6,102
Government and agencies	3,327	5,059
Total	**42,809**	**43,027**

	Group	
	30.09.2019	31.12.2018
Deposits:		
Savings accounts	20,492	19,449
Current & Sight accounts	9,640	9,142
Time deposits	11,907	13,640
Other deposits	770	785
	42,809	**43,016**
Securities sold to customers under agreements to repurchase	-	11
	-	**11**
Total	**42,809**	**43,027**

Included in time deposits are deposits, which contain one or more embedded derivatives. The Group has designated such deposits as financial liabilities at fair value through profit or loss. As at 30 September 2019, these deposits amounted to €363 million (31 December 2018: €1,043 million).

In accordance with Law 4151/2013, all dormant deposit accounts are subject to statute of limitations of 20 years in favour of the Greek State. All banks operating in Greece are required by April of every year to remit the cash balances of such dormant accounts to the Greek State. The Bank for 2019 and until 30 September 2019 has remitted to the Greek State €2 million in respect to dormant account balances.

NOTE 14: Debt securities in issue and other borrowed funds

The major transactions regarding debt securities in issue and other borrowed funds from 1 January 2019 to 30 September 2019 are as follows:

On 11 January 2019, NBG proceeded with the partial cancellation of €100 million of Series 9 covered bonds and therefore the outstanding amount as at 30 September 2019 was €500 million, which has been retained by the Bank and used as collateral for the main refinancing operations of the ECB.

On 12 February 2019, the remaining amount of €100 million of Series 8 covered bonds, which initially had been retained by the Bank, was placed with European Investment Bank ("EIB") and therefore the outstanding amount that NBG sold to EIB as at 30 September 2019 was €200 million.

In the five month period of 2019, NBG Pangaea REIC, before its disposal, proceeded with the issuance of €150 million debt securities.

On 23 May 2019, debt securities in issue decreased by €447 million due to NBG Pangaea REIC disposal.

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

On 8 August 2019, the final terms of Series 9, under the covered bond Program II have been amended and the maturity date of the respective Series has been extended from 14 August 2019 to 14 August 2020. Furthermore, on 13 August 2019, NBG proceeded with an additional partial cancellation of €100 million of Series 9 and therefore the remaining outstanding amount is currently €400 million, all of which is retained by the Bank.

The reduction in other borrowed funds as 30 September 2019, is mainly due to the disposal of NBG Pangaea REIC (see Note 22)

During the 9-month period ended 30 September 2019 Sinepia d.a.c. proceeded with the partial redemption of class M notes of €56 million. The outstanding amounts of Sinepia d.a.c. Class M and Z notes as at 30 September 2019 are as follows:

Issuer	Description	Type of collateral	Issue date	Maturity date	Outstanding amount in million €	Interest rate
Sinepia d.a.c.	Asset Backed Floating Rate Notes- Class M	SME loans	8 August 2016	July 2035	84	Paid quarterly at a rate of three month Euribor plus a margin of 300 bps
Sinepia d.a.c.	Asset Backed Floating Rate Notes- Class Z	SME loans	8 August 2016	July 2035	65	Paid quarterly at a rate of three month Euribor plus a margin of 500 bps

Subsequently, on 18 October 2019, Sinepia securitization transaction was unwound. On that date, the Bank proceeded with repurchasing from Sinepia DAC all the outstanding SME loan receivables and Sinepia redeemed all the outstanding Class M and Class Z notes held by NBG.

NOTE 15: Other liabilities

The increase in other liabilities for the Group at 30 September 2019, is mainly due to the recognition of lease liabilities of €1.3 billion following the disposal of NBG Pangaea REIC in May 2019 and the application of IFRS 16.

NOTE 16: Contingent liabilities, pledged, transfers of financial assets and commitments

a. Legal proceedings

The Group is a defendant in certain claims and legal actions arising in the ordinary course of business. For the cases for which a provision has not been recognized, Management is unable to estimate the possible losses because the proceedings may last for many years, many of the proceedings are in early stages, there is uncertainty of the likelihood of the final result, there is uncertainty as to the outcome of the pending appeals and there are significant issues to be resolved. However, in the opinion of Management, after consultation with its legal counsel, the ultimate disposition of these matters is not expected to have a material adverse effect on the consolidated Statement of Financial Position, Income Statement and Cash Flow Statement, taking into account that at 30 September 2019 the Group has provided for cases under litigation the amounts of €64 million (31 December 2018: €67 million).

b. NBG Auxiliary Pension Fund (LEPETE)

Status of open litigations between the Bank and LEPETE and former employees

The Bank, up to October 2017, provided financial assistance to the Auxiliary Pension Plan (LEPETE) in order for LEPETE to cover cash shortfalls. Subsequently, the Board of Directors decided that the Bank would not provide any additional assistance to LEPETE from October 2017 onwards. Since December 2017, LEPETE has ceased making payments to the pensioners. There are pending legal actions against the Bank from LEPETE and former employees who are disputing the defined contribution status of the plan, claiming that the Bank has an obligation to cover any deficit arising.

Up to 11 November 2019, nine applications for preliminary injunctions were rejected, 21 temporary injunctive measures were ruled in favour of the Bank, whereas five injunction orders were ruled in favour of former employees. For these five injunction orders against the Bank, the Bank recognises the relevant expense as incurred. Up to 11 November 2019, the Bank has paid in a total of €703 thousand. Furthermore, there have been 115 legal claims of which 108 have been heard in court and 56 decisions have been issued. 11 first instance court decisions were not in favour of the Bank, and the Bank has filed 8 appeals while 45 decisions were in favour of the Bank for which 36 appeals have been filed until now. It is noted that the Bank has appealed directly to the Supreme Court for one of the above eight negative decisions. The appeal will be heard before the Supreme Court on 17 December 2019. In the same case, the Bank has filed for interim measures of suspension of the unfavourable decision and the Supreme Court has approved the application and granted the requested interim measures.

The Bank has not yet made any payment with respect to any of the decisions against it and has not recorded any provisions for these pending legal actions, since management has assessed that the likelihood of the final outcome of the outstanding legal claims being negative is remote.

Introduction of Law 4618/2019

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

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

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

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

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

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

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

The Bank considers that the above legislative amendment opposes fundamental constitutional provisions and, in this context, filed to the Council of State an application for the annulment of the relevant administrative decisions issued on the basis of Law 4618/2019, which is planned for hearing before the Plenary Session of the Council on 7 February 2020 and an application for the suspension of enforcement of the above.

On 5 August 2019, NBG received the decision of the Council of State that rejected the application for the suspension of enforcement of the ministerial decision, but purely due to formal and procedural reasons as, according to the court ruling, the request for suspension related in substance to the suspension of provisions of the actual law, which is not compatible with procedural rules and court jurisprudence. On the other hand the Council of State through the reasoning of its decision connects its final judgement as concerns the application for the annulment to the outcome of the proceedings before the Civil Courts (especially before the Supreme Court). Furthermore, it considers that the aforementioned law does not impose on the Bank the burden of covering deficits nor of paying the retirement amounts to the retirees itself and consequently, that the law does not establish any liability for NBG from 1 January 2024 onwards.

On 2 July 2019, the Bank paid an amount of €36 million with respect to the supplementary contribution for 2019 as required by the ministerial decision (see (c) above). In addition, as of the date of issuance of these interim financial statements, the Bank had to pay €4 million corresponding to the employer's and employees' contributions for January to April 2019 (see (a) and (e) above) but due to technical issues of ETEAEP systems, the payment has not yet been made.

The Bank has recognised as an expense the amount already paid in July 2019 €36 million due to the uncertainty about its recovery. No other expense or provision in relation to items (b) to (e) above has been recognised, as management estimates that the said legislative amendment, stipulating that the Bank should assume costs relating to existing pensioners to which the Bank considers that it had no liability under the previous regime (LEPETE scheme), will be deemed unconstitutional by the Council of State, taking also into account that the likelihood of the final outcome of the outstanding legal claims before the Civil Courts being negative is remote. In this context, the Bank expects that any amounts paid or to be paid for items (b) to (e), prior to the decision of the Council of State in relation to the petition for annulment, will be either reimbursed or off-set against future contributions to ETEAEP (item (a) above).

Depending on the outcome of the petition for annulment before the Council of State, the appeal to the Supreme Court and any further legal actions the Bank may proceed with, the assessment of management as to the probability of outflows may change, in which case the Bank may need to record significant provisions in future periods with respect to the above issue.

c. Pending tax audits

Tax authorities have not yet audited all subsidiaries for certain financial years and accordingly their tax obligations for those years may not be considered final. Additional taxes and penalties may be imposed as a result of such tax audits; although the amount cannot be determined, it is not expected to have a material effect on the consolidated Statement of Financial Position.

The years 2011-2016 have been tax audited by Deloitte Certified Public Accountants S.A., in accordance with article 82 of Law 2238/1994 and subsequently with article 65A of Law 4174/2013 and the tax audit certificates which were unqualified, were issued on 27 July 2012, 27 September 2013, 10 July 2014, 30 October 2015, 30 September 2016 and 23 October 2017 respectively. The years 2017 and 2018 have been tax audited by PWC S.A. and the tax certificates, which were unqualified, issued on 26 October 2018 and 31 October 2019, respectively.

On 31 December 2018, the right of the tax authorities to issue a deed for re-calculation of income tax for the years up to and including year 2012 expired. In accordance with Ministerial Decision 1159/2011, the year 2013 is considered as tax audited due to the passage of the 18-month period from the issue of the tax certificate during which the tax authorities were entitled to tax audit the entity. However, under Decision 1680/2018 of the Legal Counsel of the State, the year 2013 should not be considered as permanently tax audited until a final decision by the Supreme Court. For the years 2014 onwards, in accordance with the Ministerial Decision 1006/2016 there is no exception from tax audit by the tax authorities to those entities that have been tax audited by the independent auditor and its tax audit certificate was unqualified.

Therefore, the tax authorities may re-audit the tax books of the Bank. However, it is not expected to have a material effect on the consolidated Statement of Financial Position.

For the subsidiaries and associates regarding unaudited tax years refer to Note 23.

d. Credit commitments

In the normal course of business, the Group enters into a number of contractual commitments on behalf of its customers and is a party to financial instruments with off-balance sheet risk to meet the financing needs of its customers. These contractual commitments consist of commitments to extend credit, commercial letters of credit and standby letters of credit and guarantees. Commitments to extend credit are agreements to lend to a customer as long as there is no violation of the conditions established in the contract. Commercial letters of credit ensure payment by the Bank to a third party for a customer's foreign or domestic trade transactions, generally to finance a commercial contract for the shipment of goods. Standby letters of credit and financial guarantees are conditional commitments issued by the Group to guarantee the performance of a customer to a third party. All of these arrangements are related to the normal lending activities of the Group. The Group's exposure to credit loss in the event of non-performance by the other party to the financial instrument for commitments to extend credit,commercial and standby letters of credit is represented by the contractual nominal amount of those instruments. The Group uses the same credit policies in making commitments and conditional obligations as it does for on-balance sheet instruments.

	Group	
	30.09.2019	31.12.2018
Standby letters of credit and financial guarantees written	2,864	2,760
Commercial letters of credit	217	279
Total	**3,081**	**3,039**

In addition to the above, credit commitments also include commitments to extend credit which at 30 September 2019 amounted to €6,228 million (31 December 2018: €6,350 million). Commitments to extend at 30 September 2019 do not include any amounts, which cannot be cancelled without certain conditions being met at any time and without notice, or for which automatic cancellation due to credit deterioration of the borrower is not allowed.

e. Assets pledged

	Group	
	30.09.2019	31.12.2018
Assets pledged as collateral	3,751	5,138

As at 30 September 2019, the Group has pledged mainly for funding purposes with the ECB and financial institutions, the following instruments:

- trading and investment debt instruments of €994 million;
- loans and advances to customers amounting to €1,102 million; and
- covered bonds of a nominal value of €1,656 million backed with mortgage loans of total value of €2,526 million;

In addition to the pledged items presented in the table above, as at 30 September 2019, the Group has pledged an amount of €317 million included in due from banks with respect to a guarantee for the non-payment risk of the Hellenic Republic, as well as Hellenic Republic Treasury bills of €373 million for trade finance purposes.

Moreover, the Group has received assets from third parties that can be sold or re-pledged, that are not recognized on the balance sheet, but they are held as collateral. The fair value of these assets that were used as collateral for funding purposes with financial institutions was €512 million, for the Group.

NOTE 17: Share capital, share premium and treasury shares

Share Capital – Ordinary Shares

The total number of ordinary shares as at 30 September 2019 and 31 December 2018 was 914,715,153, with a nominal value of 3.00 Euro per share.

Treasury shares

Treasury shares transactions are conducted by the Group subsidiary, NBG Securities S.A. and are summarized as follows:

	Group	
	No of shares	€ million
At 1 January 2018	**503,772**	**-**
Purchases	55,802,511	20
Sales	(55,932,483)	(20)
At 31 December 2018	**373,800**	**-**
Purchases	11,584,691	22
Sales	(11,746,375)	(21)
At 30 September 2019	**212,116**	**1**

NOTE 18: Tax effects relating to other comprehensive income / (expense) for the period

Group	9 month period ended 30.09.2019			9 month period ended 30.09.2018		
	Gross	Tax	Net	Gross	Tax	Net
Items that may be reclassified subsequently to profit or loss:						
Unrealised gains / (losses) on investments in debt instruments measured at FVTOCI	821	(87)	734	(51)	6	(45)
(Gains) / losses on investments in debt instruments measured at FVTOCI reclassified to profit or loss on disposal	(191)	17	(174)	(59)	(21)	(80)
Impairment loss recognised on investments in debt instruments classified at FVTOCI	(3)	-	(3)	3	(1)	2
Gain reclassified to income statement on disposal of NBG Albania	-	-	-	(1)	-	(1)
Investments in debt instruments	**627**	**(70)**	**557**	**(108)**	**(16)**	**(124)**
Currency translation differences	1	-	1	(8)	-	(8)
Loss reclassified to income statement on disposal of SABA	-	-	-	(3)	-	(3)
Currency translation differences	**1**	**-**	**1**	**(11)**	**-**	**(11)**
Cash flow hedge	(42)	-	(42)	-	-	-
Cash flow hedge	**(42)**	**-**	**(42)**	**-**	**-**	**-**
Total of items that may be reclassified subsequently to profit or loss	**586**	**(70)**	**516**	**(119)**	**(16)**	**(135)**
Items that will not be reclassified subsequently to profit or loss:						
Gains / (losses) on investments in equity instruments measured at FVTOCI	17	-	17	(6)	1	(5)
(Gains) / losses on investments in equity instruments designated as at FVTOCI transferred to retained earnings upon disposal	(4)	-	(4)	-	-	-
Total of items that will not be reclassified subsequently to profit or loss	**13**	**-**	**13**	**(6)**	**1**	**(5)**
Other comprehensive income / (expense) for the period	**599**	**(70)**	**529**	**(125)**	**(15)**	**(140)**

NOTE 19: Related party transactions

The nature of the significant transactions entered into by the Group with related parties during the 9-month period ended 30 September 2019 and 30 September 2018 and the significant balances outstanding as at 30 September 2019 and 31 December 2018 are presented below.

a. Transactions with members of the Board of Directors and management

The Group entered into transactions with the members of the Board of Directors, the General Managers and the members of the Executive Committees of the Bank, the key management of other Group companies, as well as with the close members of family and entities controlled or jointly controlled by those persons.

All loans granted to related parties (i) were made in the ordinary course of business, (ii) were made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other persons, and (iii) did not involve more than the normal risk of collectability or present other unfavourable features.

As at 30 September 2019, loans, deposits/liabilities and letters of guarantee, at Group level, amounted to €3 million, €6 million and NIL respectively (31 December 2018: €4 million, €8 million and NIL respectively).

Total compensation to related parties for the period ended 30 September 2019, amounted to €7 million (30 September 2018: €7 million) for the Group, mainly relating to short-term benefits and in particular salaries and social security contributions.

b. Transactions with subsidiaries, associates and joint ventures

At a Group level, only transactions and balances with associates and joint ventures are included, as transactions and balances with subsidiaries are eliminated on consolidation.

	Group	
	30.09.2019	31.12.2018
Assets	12	17
Liabilities	12	11
Letters of guarantee, contingent liabilities and other off balance sheet accounts	2	1

	9 month period ended	
	30.09.2019	30.09.2018
Interest, commission and other expense	3	2

c. Transactions with other related parties

The total receivables of the Group from the employee benefits related funds as at 30 September 2019 amounted to €747 million (31 December 2018: €747 million). For these receivables the Group recognized a provision of €742 million (30 September 2018: €736 million).

The total payables of the Group to the employee benefits related funds as at 30 September 2019, amounted to €107 million (31 December 2018: €135 million).

d. Transactions with Hellenic Financial Stability Fund

Taking into consideration the HFSF Law, the Relationship Framework Agreement ("RFA") between the Bank and the HFSF that was signed in December 2015, the fact that HFSF holds 40.39% of the Bank's ordinary shares, of which 38.92% with full voting rights and that HFSF has representation in the Bank's Board of Directors and other Board Committees of the Bank, HFSF is considered a related party of the Group. Other than the ordinary shares issued by the Bank and held by HFSF, no material transactions or balances exist with HFSF.

NOTE 20: Capital adequacy

In June 2013, the European Parliament and the Council of Europe issued Directive 2013/36/EU and Regulation (EU) No 575/2013 (known as CRD IV and CRR respectively), which incorporate the key amendments that have been proposed by the Basel Committee for Banking Supervision (known as Basel III). Directive 2013/36/EU has been transported into Greek Law by virtue of Greek Law 4261/2014 and Regulation (EU) No 575/2013 has been directly applicable to all EU Member States since 1 January 2014 and certain changes under CRD IV were implemented gradually.

Regulation (EU) No 575/2013 defines the minimum capital requirements (Pillar 1 requirements) and Directive 2013/36/EU defines the combined buffer requirements for EU institutions. In addition, Directive 2013/36/EU provides (Art. 97 et seq.) that Competent Authorities regularly carry out the Supervisory Review and Evaluation process ("SREP"), to assess and measure risks not covered, or not fully covered, under Pillar 1 and determine additional capital and liquidity requirements (Pillar 2 requirements). SREP is conducted under the lead of the ECB. The SREP decision is tailored to each bank's individual profile.

The table below summarises Pillar 1 & 2 capital requirements for the Group for 2019 and 2018:

	CET1 Capital Requirements			Overall Capital Requirements		
	2020	**2019**	**2018**	**2020**	**2019**	**2018**
Pillar 1	4.5%	4.5%	4.5%	8.0%	8.0%	8.0%
Pillar 2	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Capital Conservation Buffer	2.5%	2.5%	1.875%	2.5%	2.5%	1.875%
O-SII Buffer	0.50%	0.25%	0.00%	0.50%	0.25%	0.00%
Total	**10.50%**	**10.25%**	**9.375%**	**14.00%**	**13.75%**	**12.875%**

The capital adequacy ratios for the Group are presented in the table below:

	Group	
	30.09.2019	31.12.2018
Common Equity Tier 1	**15.2%**	**16.1%**
Tier 1	**15.2%**	**16.1%**
Total	**16.2%**	**16.2%**

DTC Law

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

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

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

On 7 November 2014 the Bank convened an extraordinary General Shareholders Meeting which resolved to include the Bank in the DTC Law. In order for the Bank to exit the provisions of the DTC Law it requires regulatory approval and a General Shareholders meeting resolution.

As of 30 September 2019, the amount of DTAs that were eligible for conversion to a receivable from the Greek State subject to the DTC Law was €4.5 billion (31 December 2018: €4.6 billion). The conditions for conversion rights were not met in the year ended 31 December 2018 and no conversion rights are deliverable in 2019.

NOTE 21: Fair value of financial assets and liabilities

a. Financial instruments not measured at fair value

The table below summarises the carrying amounts and the fair values of those financial assets and liabilities that are not presented on the Group's Statement of Financial Position at fair value and the fair value is materially different from the carrying amount.

Financial instruments not measured at fair value – Group

	Carrying amount	Fair value
	30.09.2019	30.09.2019
Financial Assets		
Loans and advances to customers	28,933	28,569
Investment securities at amortised cost	5,539	5,596
Financial Liabilities		
Due to customers	42,446	42,463
Debt securities in issue	1,360	1,434

	Carrying amount	Fair value
	31.12.2018	31.12.2018
Financial Assets		
Loans and advances to customers	30,001	29,273
Investment securities at amortised cost	1,872	1,253
Financial Liabilities		
Due to customers	41,984	42,040
Debt securities in issue	1,146	1,164

The following methods and assumptions were used to estimate the fair values of the above financial instruments at 30 September 2019 and 31 December 2018:

The carrying amount of cash and balances with central banks, due from and due to banks, other borrowed funds as well as accrued interest, approximates their fair value.

Loans and advances to customers: The fair value of loans and advances to customers is estimated using discounted cash flow models. The discount rates are based on current market interest rates offered for instruments with similar terms to borrowers of similar credit quality.

Investment securities at amortised cost: The fair value of investment securities at amortised cost is estimated using market prices, or using discounted cash flow models based on current market interest rates offered for instruments with similar credit quality.

Due to customers: The fair value for demand deposits and deposits with no defined maturity is determined to be the amount payable on demand at the reporting date. The fair value for fixed-maturity deposits is estimated using discounted cash flow models based on rates currently offered for the relevant product types with similar remaining maturities.

Debt securities in issue: Fair value is estimated using market prices, or if such are not available, using a discounted cash flow analysis, based on current market rates of similar maturity and credit quality debt securities.

b. Financial instruments measured at fair value

The tables below present the fair values of those financial assets and liabilities presented on the Group's Statement of Financial Position at fair value by fair value measurement level at 30 September 2019 and 31 December 2018:

Financial instruments measured at fair value – Group

As at 30 September 2019	Fair value measurement using			
	Level 1	Level 2	Level 3	Total asset/ liability at Fair value
Financial Assets				
Financial assets at fair value through profit or loss	313	75	-	388
Financial assets mandatorily at fair value through profit or loss	27	14	154	195
Derivative financial instruments	14	5,740	14	5,768
Investment securities at fair value through other comprehensive income	595	2,362	48	3,005
Total	**949**	**8,192**	**216**	**9,357**
Financial Liabilities				
Due to customers designated as at fair value through profit or loss	-	363	-	363
Derivative financial instruments	7	3,419	5	3,431
Total	**7**	**3,782**	**5**	**3,794**

As at 31 December 2018	Fair value measurement using			
	Level 1	Level 2	Level 3	Total asset/ liability at Fair value
Financial Assets				
Financial assets at fair value through profit or loss	375	675	-	1,050
Financial assets mandatorily at fair value through profit or loss	156	3,287	159	3,602
Derivative financial instruments	30	3,753	8	3,791
Investment securities at fair value through other comprehensive income	827	1,693	48	2,568
Total	**1,388**	**9,408**	**215**	**11,011**
Financial Liabilities				
Due to customers designated as at fair value through profit or loss	-	1,043	-	1,043
Derivative financial instruments	12	2,115	4	2,131
Total	**12**	**3,158**	**4**	**3,174**

The tables below present the fair values for the assets and liabilities classified as held-for-sale in the Group's Statement of Financial Position and measured at fair value for 30 September 2019 and 31 December 2018:

Held for Sale Operations - Financial instruments measured at fair value – Group

As at 30 September 2019	Fair value measurement using			
	Level 1	Level 2	Level 3	Total asset/ liability at Fair value
Financial Assets				
Financial assets at fair value through profit or loss	4	72	-	76
Financial assets mandatorily at fair value through profit or loss	-	-	1	1
Derivative financial instruments	-	1	-	1
Investment securities at fair value through other comprehensive income	1,144	1,592	9	2,745
Insurance related assets and receivables	130	146	-	276
Total	**1,278**	**1,811**	**10**	**3,099**
Financial Liabilities				
Derivative financial instruments	-	1	-	1
Total	**-**	**1**	**-**	**1**

As at 31 December 2018	Fair value measurement using			
	Level 1	Level 2	Level 3	Total asset/ liability at Fair value
Financial Assets				
Financial assets at fair value through profit or loss	3	61	-	64
Derivative financial instruments	-	1	-	1
Available-for-sale investment securities	1,016	993	6	2,015
Insurance related assets and liabilities	151	119	-	270
Total	**1,170**	**1,174**	**6**	**2,350**

Transfers between Level 1 and Level 2

During the period ended 30 September 2019, certain fair value through profit or loss securities issued by ESM and EFSF for which the Group determined that sufficient liquidity and trading did not exist as at 30 September 2019, have been transferred from Level 1 to Level 2 according to the Group's fair value hierarchy policy. The carrying amount of the fair value through profit or loss securities transferred as at 30 September 2019 was €48 million.

As at 31 December 2018, there were no transfers of financial assets or liabilities between fair value hierarchy levels according to the Group fair value hierarchy policy.

All transfers between levels are assumed to happen at the end of the reporting period.

Level 3 financial instruments

Level 3 financial instruments at 30 September 2019 and 31 December 2018 include:

a) Derivative products, which are valued using valuation techniques with significant unobservable inputs, including certain correlation products, such as correlation between various interest indices. They also include derivatives for which the CVA is based on significant unobservable inputs and the amount of the CVA is significant relative to the total fair value of the derivative.

b) Securities mandatorily at fair value through profit or loss, for which the models used to estimate their fair value is based on unobservable credit spreads or which are price-based and the price is obtained from the issuers of the securities. They also include loans and advances to customers mandatorily measured at fair value through profit or loss, which are valued using discounted cash flow valuation techniques incorporating unobservable credit spreads.

c) Equity securities at fair value through other comprehensive income, which are not traded in active markets and their fair value is estimated using an income or market approach, for which the main inputs used are not market observable.

The table below presents a reconciliation of all Level 3 fair value measurements for the period ended 30 September 2019 and 30 September 2018, including realized and unrealized gains/(losses) included in the "income statement" and "statement of other comprehensive income".

Transfers into or out of Level 3

The Group conducts a review of the fair value hierarchy classifications on a quarterly basis. For the period ended 30 September 2019 and 30 September 2018, transfers from Level 2 into Level 3 include derivative instruments for which the bilateral CVA adjustment is significant to the base fair value of the respective instruments.

Reconciliation of fair value measurements in Level 3 – Group

	2019		
	Net derivative financial instruments	Investment securities at FVTOCI	Mandatorily at FVTPL
Balance at 1 January	**4**	**48**	**159**
Gain / (loss) included in Income Statement	4	-	(12)
Gain / (loss) included in OCI	-	(2)	-
Purchases	-	2	12
Settlements	(1)	-	(4)
Transfer to Held for Sale			(1)
Transfer into/ (out of) level 3	2	-	-
Balance at 30 September	**9**	**48**	**154**

	2018			
	Available-for-sale investment securities	Net derivative financial instruments	Investment securities at FVTOCI	Mandatorily at FVTPL
Balance at 1 January	**8**	**8**	**-**	**-**
Impact of IFRS 9	(8)	-	24	185
Balance at 1 January	**-**	**8**	**24**	**185**
Gain / (loss) included in Income Statement	-	2	-	7
Gain / (loss) included in OCI	-	-	1	-
Sales	-	-	-	(1)
Settlements	-	(1)	-	(13)
Transfer into / (out of) level 3	-	(4)	-	-
Balance at 30 September	**-**	**5**	**25**	**178**

Changes in unrealised gains/ (losses) included in the income statement of financial instruments measured at fair value using significant unobservable inputs (level 3) relate to financial assets mandatorily at fair value through profit or loss and net derivative financial instruments for the period ended 30 September 2019, and amount to €(12) million and €6 million respectively for the Group.

Changes in unrealised gains/ (losses) included in the income statement of financial instruments measured at fair value using significant unobservable inputs (level 3) relate to financial assets mandatorily at fair value through profit or loss and net derivative financial instruments for the period ended 30 September 2018, and amount to €7 million and €3 million respectively for the Group.

Valuation Process and Control Framework

The Group has various processes in place to ensure that the fair values of its assets and liabilities are reasonably estimated and has established a control framework which is designed to ensure that fair values are validated by functions independent of the risk-taker. To that end, the Group utilizes various sources for determining the fair values of its financial instruments and uses its own independent functions to validate these results, where possible.

Fair values of debt securities are determined either by reference to prices for traded instruments in active markets, to external quotations or widely accepted financial models, which are based on market observable or unobservable information where the former is not available, as well as relevant market based parameters such as interest rates, option volatilities, currency rates, etc.

The Group may, sometimes, also utilize third-party pricing information, and perform validating procedures on this information to the extent possible or base its fair value on the latest transaction prices available, given the absence of an active market or similar transactions or other market observable inputs. All such instruments are categorized within the lowest level of fair value hierarchy (i.e. Level 3).

Generally, fair values of debt securities, including significant inputs on the valuation models are independently checked and validated by the Middle Office and Risk Management function on a systematic basis.

Fair values of derivatives are determined by Management using valuation models which include discounted cash-flow models, option pricing models or other appropriate models. Adequate control procedures are in place for the validation of these models, including the valuation inputs, on a systematic basis. Middle Office and Risk Management functions provide the control valuation framework necessary to ensure that the fair values are reasonably determined, reflecting current market circumstances and economic conditions. Furthermore, over-the-counter derivatives are also compared on a daily basis with counterparties' valuations, under the daily collateral management process.

Market Valuation Adjustments

Counterparty credit risk-adjustments are applied to all over-the-counter derivatives. Own credit-risk adjustments are applied to reflect the Group's own credit risk when valuing derivatives. Bilateral credit-risk adjustments consider the expected cash flows between the Group and its counterparties under the relevant terms of the derivative instruments and the effect of the credit-risk profile of the counterparties on the valuation of these cash flows. Where appropriate, the Group takes into consideration the credit-risk mitigating arrangements, including collateral agreements and master netting arrangements, for the purpose of estimating own and counterparty credit risk valuation adjustments.

Quantitative Information about Level 3 Fair Value Measurements | 30 September 2019

Financial Instrument	Fair Value	Valuation Technique	Significant Unobservable Input	Range of Inputs	
				Low	High
Investment securities mandatorily at fair value through profit or loss	9	Price Based	Price	93.76	100.00
	11	Discounted Cash Flows	Credit Spread	679 bps	1400 bps
Interest Rate Derivatives	9	Discounted Cash Flows, Internal Model (for CVA/DVA)	Credit Spread	105 bps	722 bps
	(1)	Discounted Cash Flows	Constant Maturity Swap correlation between different tenors	-50.00%	100.00%
Other Derivatives	1	Discounted Cash Flows, Internal Model (for CVA/DVA)	Credit Spread	12 bps	722 bps
Investment Securities at fair value through other comprehensive income	48	Income and market approach	n/a[1]	n/a[1]	n/a[1]
Loans and advances to customers mandatorily at fair value through profit or loss	134	Discounted Cash Flows	Credit Spread	300 bps	650 bps

[1] Equity securities at FVTOCI include equity securities which are not traded in active markets. In the absence of an active market the fair value of these securities is estimated using a market or an income valuation approach. Given the bespoke nature of the valuation method in respect of each holding, it is not practicable to quote a range of unobservable inputs.

Quantitative Information about Level 3 Fair Value Measurements | 31 December 2018

Financial Instrument	Fair Value	Valuation Technique	Significant Unobservable Input	Range of Inputs Low	Range of Inputs High
Investment securities mandatorily at fair value through profit or loss	8	Price based	Price	93.76	100.00
	18	Discounted Cash Flows	Credit Spread	316 bps	366 bps
Interest Rate Derivatives	3	Discounted Cash Flows	Constant Maturity Swap correlation between different tenors	-50.00%	100.00%
Other Derivatives	1	Discounted Cash Flows, Internal Model (for CVA/DVA)	Credit Spread	814 bps	1360 bps
Investment Securities at fair value through other comprehensive income	48	Income and market approach	n/a[1]	n/a[1]	n/a[1]
Loans and advances to customers mandatorily at fair value through profit or loss	133	Discounted Cash Flows	Credit Spread	300 bps	650 bps

[1] Equity securities at FVTOCI include equity securities which are not traded in active markets. In the absence of an active market the fair value of these securities is estimated using a market or an income valuation approach. Given the bespoke nature of the valuation method in respect of each holding, it is not practicable to quote a range of unobservable inputs.

Sensitivity of Fair Value Measurements to Changes in Unobservable Inputs

For structured interest rate derivatives, a significant change in the correlation inputs (e.g. the degree of correlation between two different interest rates, or between interest rates and foreign exchange rates) would have a significant impact on the fair value of the individual instrument; however, the magnitude and the direction of the impact depends on whether the Group is long or short the exposure, among other factors. Due to the limited exposure that the Group has to these instruments, a reasonable change in the above unobservable inputs would not be significant to the Group. Additionally, interest rate derivatives include interest rate swaps for which the bilateral credit valuation adjustment is significant in comparison to their fair value. The counterparty credit-risk adjustment in these cases is mainly driven by the internal ratings of the counterparty. A reasonable increase in the credit spread of these entities would result in an insignificant change in the fair value of the Group's financial instruments.

Other derivatives include derivatives for which the bilateral credit valuation adjustment is significant in comparison to their fair value. In these cases, the counterparty credit risk adjustment is mainly driven by the internal ratings of the counterparty. A reasonable increase in the credit spread of these entities would result in an insignificant change in the fair value of the Group's financial instruments.

For loans and advances to customers mandatorily measured at fair value through profit or loss, the valuation includes a parameter which is not observable in the market, i.e. the credit spread of the client. A reasonable increase in the respective credit spreads used would not have a significant effect on their fair value for the Group.

NOTE 22: Acquisitions, disposals and other capital transactions

Sale of Grand Hotel Summer Palace S.A.

On 5 April 2019, the Bank disposed of its 100% stake in Grand Hotel to Mitsis Company S.A. ("the Buyer"). The consideration less costs to sell was €50 million.

	Period ended 30 September 2019
Assets	
Due from banks	2
Property and equipment	13
Deferred tax assets	5
Total assets	**20**
Net assets disposed of	**20**

Gain on disposal of Grand Hotel

	Period ended 30 September 2019
Consideration received less costs to sell	50
Net assets disposed of	(20)
Gain on disposal	**30**

Net cash inflow on disposal of Grand Hotel

	Period ended 30 September 2019
Consideration received less costs to sell	50
Less: Cash and cash equivalent balances disposed of	(2)
Net cash inflow	**48**

The gain on disposal of €30 million at Group level is included in the Net other income / (expense) line of the Income Statement (see Note 11).

Sale of NBG Pangaea REIC

On 23 May 2019, the Bank disposed of its 32.66% stake in NBG Pangaea REIC to Invel Real Estate B.V. and CL Hermes Opportunities L.P. ("the Buyers"). The consideration less costs to sell was €390 million.

	Period ended 30 September 2019
Assets	
Due from banks	119
Investment properties	904
Equity method investments	6
Goodwill, software and other intangible assets	15
Property and equipment	719
Other assets	71
Total assets	**1,834**
Liabilities	
Debt securities in issue	447
Other borrowed funds	291
Deferred tax liabilities	19
Current income taxes	5
Other liabilities	65
Total liabilities	**827**
Net assets disposed of	**1,007**

Gain on disposal of NBG Pangaea REIC

	Period ended 30 September 2019
Consideration received less costs to sell	390
Net assets disposed of	(1,007)
Non-controlling interests	677
Gain on disposal	**60**

The gain on disposal of €60 million at Group level is included in the Profit / (loss) for the period from discontinued operations (see Note 11).

Net cash inflow on disposal of NBG Pangaea REIC

	Period ended 30 September 2019
Consideration received less costs to sell	390
Less: Cash and cash equivalent balances disposed of	(119)
Net cash inflow	**271**

NOTE 23: Group companies

Subsidiaries	Country	Tax years unaudited	Group 30.09.2019	Group 31.12.2018
National Securities S.A.	Greece	2013-2018	100.00%	100.00%
NBG Asset Management Mutual Funds S.A.	Greece	2009-2018	100.00%	100.00%
Ethniki Leasing S.A.	Greece	2010-2018	100.00%	100.00%
NBG Property Services S.A.	Greece	2010-2018	100.00%	100.00%
Pronomiouhos S.A. Genikon Apothikon Hellados	Greece	2010-2018	100.00%	100.00%
Innovative Ventures S.A. (I-Ven)(4)	Greece	-	-	100.00%
Ethniki Hellenic General Insurance S.A. (2)	Greece	2013-2018	100.00%	100.00%
Grand Hotel Summer Palace S.A.(5)	Greece	-	-	100.00%
KADMOS S.A.	Greece	2010-2018	100.00%	100.00%
DIONYSOS S.A.	Greece	2010-2018	99.91%	99.91%
EKTENEPOL Construction Company S.A.	Greece	2010-2018	100.00%	100.00%
Mortgage, Touristic PROTYPOS S.A.	Greece	2010-2018	100.00%	100.00%
Hellenic Touristic Constructions S.A.	Greece	2010-2018	78.04%	78.04%
Ethniki Ktimatikis Ekmetalefsis S.A.	Greece	2010-2018	100.00%	100.00%
Ethniki Factors S.A.	Greece	2010-2018	100.00%	100.00%
NBG Pangaea REIC(6)	Greece	-	-	32.66%
Karolou S.A.(6)	Greece	-	-	32.66%
Probank M.F.M.C (1)	Greece	2013-2018	100.00%	100.00%
I-Bank Direct S.A.	Greece	2010-2018	100.00%	100.00%
Probank Leasing S.A.	Greece	2009-2018	99.87%	99.87%
NBG Insurance Brokers S.A.	Greece	2010-2018	100.00%	100.00%
Anaptixi Fragokklisia Real Estate S.A.(6)	Greece	-	-	32.66%
Irinna Ktimatiki S.A.(6)	Greece	-	-	32.66%
NBG Malta Holdings Ltd	Malta	2006-2018	100.00%	100.00%
NBG Bank Malta Ltd	Malta	2005-2018	100.00%	100.00%
ARC Management Two EAD (Special Purpose Entity)	Bulgaria	2014-2018	100.00%	100.00%
Bankteco E.O.O.D.	Bulgaria	2016-2018	100.00%	100.00%
PNG Properties E.A.D.(6)	Bulgaria	-	-	32.66%
I&B Real Estate(6)	Bulgaria	-	-	32.66%
Banca Romaneasca S.A.(2)	Romania	2013-2018	99.28%	99.28%
NBG Leasing IFN S.A.	Romania	2014-2018	100.00%	100.00%
S.C. Garanta Asigurari S.A.(2)	Romania	2003-2018	94.96%	94.96%
ARC Management One SRL (Special Purpose Entity)	Romania	2013-2018	100.00%	100.00%
Egnatia Properties S.A.(6)	Romania	-	-	32.66%
Stopanska Banka A.D.-Skopje	North Macedonia	2014-2018	94.64%	94.64%
NBG Greek Fund Ltd	Cyprus	2014-2018	100.00%	100.00%
National Bank of Greece (Cyprus) Ltd(2)	Cyprus	2006 & 2008-2018	100.00%	100.00%
National Securities Co (Cyprus) Ltd (1)	Cyprus	-	100.00%	100.00%
NBG Management Services Ltd	Cyprus	2014-2018	100.00%	100.00%
Ethniki Insurance (Cyprus) Ltd(2)	Cyprus	2004-2018	100.00%	100.00%
Ethniki General Insurance (Cyprus) Ltd(2)	Cyprus	2004-2018	100.00%	100.00%
National Insurance Agents & Consultants Ltd(2)	Cyprus	2008-2018	100.00%	100.00%
Quadratix Ltd(6)	Cyprus	-	-	32.66%
Lasmane Properties Ltd(6)	Cyprus	-	-	32.66%
CAC Coral Limited	Cyprus	-	100.00%	100.00%
Aphrodite Hills Resort Limited (6)	Cyprus	-	-	-
Aphrodite Springs Public Limited (6)	Cyprus	-	-	-
Vibrana Holdings Ltd(6)	Cyprus	-	-	-
NBG Asset Management Luxemburg S.A.	Luxembourg	2018	100.00%	100.00%
NBG International Ltd	U.K.	2003-2018	100.00%	100.00%
NBGI Private Equity Ltd(1)	U.K.	2003-2018	100.00%	100.00%
NBG Finance Plc	U.K.	2003-2018	100.00%	100.00%
NBG Finance (Dollar) Plc	U.K.	2008-2018	100.00%	100.00%
NBG Finance (Sterling) Plc(1)	U.K.	2008-2018	100.00%	100.00%
Titlos Plc (Special Purpose Entity)(1)	U.K.	-	-	-
Pangaea UK Finco Plc(3)	U.K.	-	-	32.66%
SINEPIA Designated Activity Company (Special Purpose Entity)	Ireland	2016-2018	-	-
NBG International Holdings B.V.	The Netherlands	2018	100.00%	100.00%
Nash S.r.L. (6)	Italy	-	-	32.66%
Fondo Picasso(6)	Italy	-	-	32.66%

Notes:

(1) Companies under liquidation.

(2) Ethniki Hellenic General Insurance S.A. and its subsidiaries, Banca Romaneasca S.A., National of Bank Greece (Cyprus) Ltd and NBG Cairo Branch, have been reclassified to Non-current assets held for sale (See Note 11).

(3) Pangaea UK Finco Plc was incorporated in May 2018 and was dissolved on 8 January 2019.

(4) Innovative Ventures S.A. (I-Ven) was liquidated on 7 May 2019.

(5) Grand Hotel Summer Palace S.A. disposal was completed on 5 April 2019.

(6) NBG Pangaea REIC disposal was completed on 23 May 2019.

The Group's and Bank's equity method investments are as follows:

	Country	Tax years unaudited	Group 30.09.2019	Group 31.12.2018
Social Security Funds Management S.A.	Greece	2014-2018	20.00%	20.00%
Larco S.A.	Greece	2009-2018	33.36%	33.36%
Eviop Tempo S.A.	Greece	2014-2018	21.21%	21.21%
Teiresias S.A.	Greece	2010-2018	39.93%	39.93%
Planet S.A.	Greece	2009-2018	36.99%	36.99%
Pyrrichos Real Estate S.A.	Greece	2012-2018	21.83%	21.83%
SATO S.A.	Greece	2014-2018	23.74%	23.74%
Olganos S.A.	Greece	2014-2018	33.60%	33.60%

NOTE 24: Events after the reporting period

On 18 October 2019, Sinepia securitization transaction was unwound (see Note 14).

On 7 November 2019, Standard & Poor's upgraded the Programme I and Programme II of Secured Bonds to BBB+ and on 8 November 2019, the rating of NBG from B- to B .

On 18 November 2019, the Bank completed the disposal of unsecured non-performing portfolio of credit cards, consumer loans, small business lending and corporate lending with total principal amount of €1.2 billion.

NOTE 25: Transition to IFRS 16 Leases as of 1 January 2019

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

Impact upon transition to IFRS 16

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

The table below presents a reconciliation of the operating lease commitments for the Group and the Bank, as of 31 December 2018 to the recognized lease liabilities as of 1 January 2019.

Reconciliation of Group's lease liabilities

	Group
Operating lease commitments as of 31 December 2018	**196**
Relief option for short-term leases and low-value assets	(1)
Extension options reasonably certain to be exercised	13
Cost of insurance required by the lease	-
Consumer Price Index (CPI) adjustment	-
Gross lease liabilities as of 1 January 2019	**208**
Discounting	(105)
Lease liabilities as of 1 January 2019	**103**

The lease liabilities were discounted at the Group's IBR as of 1 January 2019. The weighted average discount rate was 2.9%.